

★ No 9331.113²315

Pts. 29-33



GIVEN BY

U. S. SUPT. OF DOCUMENTS

DEPOSITORY

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

HEARINGS

BEFORE THE

SELECT COMMITTEE

ON IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

EIGHTY-FIFTH CONGRESS

SECOND SESSION

PURSUANT TO SENATE RESOLUTIONS 74 AND 221, 85TH CONGRESS

MAY 22, 26, 27, AND 28, 1958

PART 30

Printed for the use of the Select Committee on Improper Activities in the
Labor or Management Field



INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

HEARINGS BEFORE THE SELECT COMMITTEE ON IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD EIGHTY-FIFTH CONGRESS SECOND SESSION

PURSUANT TO SENATE RESOLUTIONS 74 AND 221, 85TH CONGRESS

MAY 22, 26, 27, AND 28, 1958

PART 30

Printed for the use of the Select Committee on Improper Activities in the
Labor or Management Field



UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1958

Boston Public Library
Superintendent of Documents

SEP 16 1958

**SELECT COMMITTEE ON IMPROPER ACTIVITIES IN THE LABOR OR
MANAGEMENT FIELD**

JOHN L. McCLELLAN, Arkansas, *Chairman*
IRVING M. IVES, New York, *Vice Chairman*

JOHN F. KENNEDY, Massachusetts
SAM J. ERVIN, JR., North Carolina
FRANK CHURCH, Idaho

KARL E. MUNDT, South Dakota
BARRY GOLDWATER, Arizona
CARL T. CURTIS, Nebraska

ROBERT F. KENNEDY, *Chief Counsel*
RUTH YOUNG WATT, *Chief Clerk*

CONTENTS

AMALGAMATED MEAT CUTTERS AND MAX BLOCK

	Page
Appendix.....	11763
Testimony of—	
Beatson, Daniel.....	11565, 11592
Branca, John.....	11579
Breslau, Harry L.....	11573
Block, Louis.....	11620, 11632
Block, Max.....	11657, 11661, 11674, 11695, 11700, 11705, 11708, 11712, 11717, 11733, 11749
Branca, John.....	11579
Casale, William.....	11710, 11712
Donahue, Thomas A.....	11556
Haussermann, Charles.....	11561
Kopecky, George.....	11552, 11618, 11632, 11674, 11707, 11748
Martin, George.....	11700, 11705, 11716
McTague, Thomas.....	11579
Steinmann, Moe.....	11567
Suffa, Joseph.....	11611

EXHIBITS

14. Registration cards and transfer slips, showing a 1953 De Soto belonging to Martin Zeitler transferred to Joseph G. Suffa, and a 1954 Buick belonging to Joseph Suffa transferred to Martin Zeitler.....	Introduced on page 11618	Appears on page (*)
15. New-car contract and statement showing 1956 Buick sold to Joseph G. Suffa for \$3,535.38.....	11619	(*)
16. Check No. 2654, dated October 4, 1955, payable to Max Block in the amount of \$12,000, drawn on Butcher Workmen Union, Local 640.....	11671	11763
17. Contract between Food Fair Stores, Inc., and Amalgamated Meat Cutters, Local 342, dated December 23, 1956 and signed June 24, 1957.....	11673	(*)
18. Draft check No. 73344, dated March 5, 1956, payable to Max Block in the amount of \$2,450, drawn by Citizens Insurance Company of New Jersey on Connecticut Bank & Trust Co.....	11690	11764
19. Check No. 129910, dated August 7, 1956, payable to Max Block in the amount of \$401.95, drawn by Harris, Upham & Co., New York.....	11690	11765- 11766
20. New-car contract and statement by Herbert J. Caplan, Inc.; customer's name, Block, Alvin Albert, for a 1956 Buick, price \$2,838.43.....	11693	(*)
21A. Check No. 717, dated March 25, 1957, payable to Alvin Block in the amount of \$113, drawn by Taste Well Foods, Inc., signed by Martin Zeitler.....	11695	11767
21B. Check No. 751, dated May 24, 1957, payable to Alvin Block in the amount of \$113, drawn by Taste Well Foods, Inc., and signed by Martin Zeitler.....	11695	11768
21C. Check No. 775, dated June 21, 1957, payable to Manufacturers Trust Co., in the amount of \$113, drawn by Taste Well Foods, Inc., and signed by Martin Zeitler.....	11695	11769
22. Cashier's check of Manufacturers Trust Co., No. 17981-60, dated August 21, 1956, payable to Max Block in the amount of \$2,507.35.....	11695	11770

*May be found in the files of the select committee.

	Introduced on page	Appears on page
23. Check No. 39111, dated August 18, 1954, payable to Max Block in the amount of \$283.50, drawn by the Ætna Insurance Co. for loss.....	11698	11771
24. Adjuster's report to World Fire & Marine Insurance Co. re Max Block collision loss which occurred on July 23, 1954.....	11699	(*)
25. Ledger sheet from the Deercrest Country Club, "Equipment, auto, \$1,000".....	11699	(*)
26. Minutes of an executive-board meeting of the Amalgamated Meat Cutters Union, Local 342, dated May 22, 1951.....	11700	(*)
27. Check No. 4580, dated January 15, 1953, payable to Mr. and Mrs. Martin Zeitler in the amount of \$500, drawn by Amalgamated Meat Cutters Union of Greater New York.....	11704	11772
28. Ledger sheet, November 1954, under "Disbursements," item 63 shows "Cash" in the amount of \$2,027.38.....	11709	(*)
29. Check No. 133, dated June 24, 1955, payable to Butchers Workers Union, Local 640 in the amount of \$10,013.19, drawn by Teamsters and Butchers joint organizing committee.....	11717	11773
30. Check No. 2456, dated June 22, 1955, payable to "Cash" in the amount of \$5,013.19, drawn by the Butcher Workmen Union, Local 640.....	11719	11774
31. Check No. 89, dated June 8, 1955, payable to "Cash" in the amount of \$5,000, drawn by strike fund, Butcher Workmen Union, Local 640.....	11722	11775
32. Letter dated June 23, 1955, addressed to Leon Scheeter, cochairman, Teamsters and Butchers joint organizing committee, and signed by Max Block, Butcher Workmen Union Local 640.....	11722	11776- 11777
33. Bank ledger, "Wholesale Meat Distributors Union convention fund," dated April 10, 1953, special savings-bank account maintained by local 640.....	11723	11778- 11779
34A. Withdrawal slip, dated May 31, 1956, Union Square Savings Bank, in the amount of \$5,000, from Wholesale Meat Distributors Union convention fund.....	11724	11780
34B. Withdrawal slip, dated June 8, 1956, Union Square Savings Bank, in the amount of \$1,400, from Wholesale Meat Distributors Union convention fund.....	11724	11780
35. Check No. 2251, dated March 10, 1955, payable to Max Block in the amount of \$500, drawn by Butcher Workmen Union, Local 640.....	11750	11781
36. Check No. 22909, dated March 14, 1955, payable to State of Israel, in the amount of \$500.....	11750	11782
Proceedings of—		
May 22, 1958.....	11551	
May 26, 1958.....	11589	
May 27, 1958.....	11661	
May 28, 1958.....	11733	

*May be found in the files of the select committee.

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

THURSDAY, MAY 22, 1958

UNITED STATES SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES
IN THE LABOR OR MANAGEMENT FIELD,
Washington, D. C.

The select committee met at 2 p. m., pursuant to Senate Resolution 221, agreed to January 29, 1958, in the caucus room, Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

Present: Senator John L. McClellan, Democrat, Arkansas; Senator Karl Mundt, Republican, South Dakota; Senator Frank Church, Democrat, Idaho.

Also present: Robert F. Kennedy, chief counsel; Walter R. May, investigator; George H. Martin, investigator; John Cye Cheasty, investigator; Ruth Young Watt, chief clerk.

AFTERNOON SESSION

(At the reconvening of the session, the following members were present: Senators McClellan and Church.)

The CHAIRMAN. The committee will come to order. Before I ask the chief counsel to make a brief statement regarding the subject matter of our investigation this afternoon, the Chair wishes to thank particularly two of our staff who have worked so faithfully on the hearing just concluded, that of the A. & P. stores and the Meat Cutters Union. Mr. Walter May of the staff and Mr. George Martin of the staff have been primarily responsible, under the supervision and direction, of course, of the chief counsel, for ferreting out the information that we have now made public. They, along with other members of our staff, are very competent, faithful, and industrious in the performance of their duties. Without such staff members, this committee would not be able to get the results we do or accomplish the worthwhile things we think and hope we are accomplishing for the overall good of our country.

Mr. KENNEDY. Mr. Chairman, we are now going into a new phase of the operation of Mr. Max and Louis Block, specifically, and Max Block, particularly, who is an officer of the Amalgamated Meat Cutters, a vice president of that union, and Louis Block, who held a position in that union and who now holds a position in the welfare fund.

This afternoon we are going into their financial operations in connection with a country club that they own out in Stamford, Conn.

We are going to look into whether any pressure has been brought on employers to invest in the country club or to become members of the country club. The first witness I would like to call to set the background of the situation is Mr. George Kopecky of the committee staff.

The CHAIRMAN. You have been sworn?

Mr. KOPECKY. Yes, sir.

The CHAIRMAN. You have been sworn in this series of hearings previously?

Mr. KOPECKY. Yes, sir.

The CHAIRMAN. All right. Mr. Kopecky, a member of the staff of the committee, will testify.

TESTIMONY OF GEORGE KOPECKY—Resumed

Mr. KENNEDY. Mr. Kopecky, what we are chiefly interested in is the Stanwich Crest Realty Corp., and the Deercrest Country Club, of Stamford, Conn. Will you tell us the difference between those two organizations?

Mr. KOPECKY. The Stanwich Crest Realty Corp. and the Deercrest Country Club represent the golf and country club facilities themselves, which is situated on the realty.

Mr. KENNEDY. Does the Stanwich Crest Realty Co. own other property other than the Deercrest Country Club?

Mr. KOPECKY. No.

Mr. KENNEDY. Just that?

Mr. KOPECKY. For all intents and purposes, they are one and the same.

Mr. KENNEDY. We will be talking chiefly about the Deercrest Country Club. Can you tell the committee what the ownership of the Deercrest Country Club is, so far as the interest the Blocks might have in that institution?

Mr. KOPECKY. There are 200 shares of stock outstanding and Max Block owns 85 shares and his brother Louis Block owns 85 shares, for a total of 170 shares. The other 30 shares are owned by a Mr. Edward Joseph, the union attorney. In addition to that, Max Block has a total investment and loans in the amount of \$78,291.16, and Louis Block has a total investment and loans of \$98,250.

Mr. KENNEDY. You say the rest of the investment is in the name of Edward Joseph, who is the union attorney?

Mr. KOPECKY. Yes, sir.

Mr. KENNEDY. And that totals some \$31,060.33, is that correct?

Mr. KOPECKY. That is correct.

Mr. KENNEDY. Are there any further investments in the country club?

Mr. KOPECKY. Yes. There has been a total of over three-quarters of a million dollars invested, a total of \$767,604.49 invested in both the Stanwich Crest Realty Corp. and the Deercrest Country Club.

Mr. KENNEDY. Mr. Chairman, we have prepared a mimeographed statement on the investments that have been made in the Stanwich Crest Realty Corp. and the Deercrest Country Club, which, if you follow while we are discussing, it might be easier.

The CHAIRMAN. Very well. Proceed.

Mr. KENNEDY. The interest they have in the stock is in the Stanwich Crest Realty Corp.?

Mr. KOPECKY. That is correct.

Mr. KENNEDY. Which in turn owns Deercrest?

Mr. KOPECKY. That is right. There is a lessor-lessee arrangement existing between the Stanwich Crest Realty and the Deercrest Club, where the Deercrest Club pays an annual rental to the Stanwich Crest Realty Corp.

Mr. KENNEDY. And the investments and loans are in the Stanwich Crest Realty Corp.?

Mr. KOPECKY. That is correct.

Mr. KENNEDY. I think at the beginning we may have given the impression that the investment was in the Deercrest Country Club. It is in one and not the other.

Mr. KOPECKY. That is correct.

Mr. KENNEDY. Did we find that the insurance company which handles insurance for the union members made an investment in this country club?

Mr. KOPECKY. That is correct.

Mr. KENNEDY. How much was the investment?

Mr. KOPECKY. The Connecticut General Life Insurance has a mortgage in the amount of \$350,000, first mortgage. At the present time, the balance has been reduced and it is now approximately \$325,000.

Mr. KENNEDY. How much of the insurance do they handle? What does it amount to? That is of the union members of 342 and 640?

Mr. KOPECKY. They handle all of the welfare fund business as well as the pension fund business.

Mr. KENNEDY. Can you tell us what those figures are?

Mr. KOPECKY. Yes, over the years, the local union welfare funds have paid in excess of \$3,450,000 to this insurance company in the form of premiums in connection with the welfare funds, and over the years the 2 local unions have paid approximately \$1,850,000 in the form of premiums to the insurance company for the union's pension funds.

The CHAIRMAN. Over what period of years?

Mr. KOPECKY. That would be from the time that the funds were in existence. They go back beyond 1952.

Mr. KENNEDY. You don't have the exact time?

Mr. KOPECKY. I have the exact figures with regard to the welfare funds but not the pension funds. In regard to the welfare funds, local 342 commenced in 1949, and the commissions received by the insurance company were in excess of \$50,000. For local union 640 welfare fund it began in 1949 and the insurance company has received in excess of \$66,000 in commissions.

Mr. KENNEDY. When was this mortgage of \$350,000 taken?

Mr. KOPECKY. In the year 1956.

Mr. KENNEDY. So it was while this arrangement with the insurance company was outstanding?

Mr. KOPECKY. Yes.

The CHAIRMAN. When was the mortgage?

Mr. KOPECKY. In 1956.

Mr. KENNEDY. We have already established, Mr. Kopecky, that the international union made a bond investment of \$25,000.

Mr. KOPECKY. That is right.

Mr. KENNEDY. That is listed on here also, Mr. Chairman, as the last investment.

The CHAIRMAN. That is an investment. This \$25,000 was invested by the international union. That was invested in what?

Mr. KENNEDY. That is invested in the Deercrest Country Club.

Mr. KOPECKY. Yes.

The CHAIRMAN. How is it invested?

Mr. KOPECKY. In order to obtain working capital, the Deercrest Country Club had a bond issue, and issued bonds; in turn, the International Butchers Union invested a sum of \$25,000.

The CHAIRMAN. Bought \$25,000 worth of bonds?

Mr. KOPECKY. That is right.

The CHAIRMAN. That is in this country club?

Mr. KOPECKY. That is right.

The CHAIRMAN. And a country club that is owned primarily by Max Block and Louis Block?

Mr. KOPECKY. That is right.

The CHAIRMAN. Are there any other owners in that besides them?

Mr. KOPECKY. Yes. Edward Joseph. He is listed as the third name at the top of the sheet.

The CHAIRMAN. In other words, there are three owners of the Stanwich Crest Realty Corp.?

Mr. KOPECKY. That is right.

The CHAIRMAN. And they are Max Block, Louis Block, and Edward Joseph, is that correct?

Mr. KOPECKY. That is right.

The CHAIRMAN. With Max Block and Louis Block owning—

Mr. KOPECKY. Each owning 85 shares of the stock.

The CHAIRMAN. Owning what?

Mr. KOPECKY. Each one owns 85 shares of the stock.

Mr. KENNEDY. 170 out of 200.

The CHAIRMAN. They own about five-sixths of the company?

Mr. KOPECKY. That is correct.

The CHAIRMAN. That is round numbers.

Mr. KENNEDY. It is about 80 percent.

The CHAIRMAN. And Max and Louis Block are the principal owners.

Mr. KOPECKY. That is right.

The CHAIRMAN. All right.

Mr. KENNEDY. There are a number of employers who also made investments in this realty corporation as well as the country club?

Mr. KOPECKY. That is right.

Mr. KENNEDY. And you have listed the names on the mimeographed sheet?

Mr. KOPECKY. They are set forth on the mimeographed sheet.

Mr. KENNEDY. Some of these will be called as witnesses as the afternoon goes on, Mr. Chairman.

The CHAIRMAN. I think this mimeographed sheet may be printed in the record at this point so that it can be referred to by those who read the record.

Stamwich Crest Realty Corp., Deercrest Country Club, Inc., Stamford, Conn., investments and loans, 1955 to date

STANWICH CREST REALTY CORP.

Investor	Relationship	Amount	Nature of investment
Max Block.....	-----	\$78,291.16	Investment and loans.
Louis Block.....	-----	98,250.00	Do.
Edward Joseph.....	Union attorney.....	31,063.33	Do.
Harry Zaifert.....	Friend of Block's.....	100,000.00	Mortgage.
Connecticut General Life Insurance Co.	Administrator of pension and welfare funds.	350,000.00	Mortgage (current balance approximately \$325,000).

DEERCREST COUNTRY CLUB, INC.

Tower Insurance Agency.....	Union's insurance broker.....	9,000	Bond investment.
Moe Steinmann.....	Employer.....	5,000	Do.
Irving Tabak.....	do.....	5,000	Do.
Breslau Packing & Unloading Co. (Harry Breslau).	do.....	5,000	Do.
I. Lippel.....	Relative.....	36,000	Do.
Van Iderstine Co. (Charles Haussermann).	Employer.....	25,000	Loan (being repaid at the rate of \$500 per month present balance approximately \$17,000.)
International Butchers Union.....	International's union.....	25,000	Bond investment.
Total.....	-----	767,604.49	

The CHAIRMAN. You have listed here as investors in the Deercrest Country Club, Inc., Moe Steinmann, Irving Tabak, Breslau Packing & Unloading Co., and Tower Insurance Agency is an employer also, and Van Iderstine Co. Is it 5 employers or 4 employers?

Mr. KOPECKY. Four employers, plus the insurance agency.

The CHAIRMAN. Four employers plus the insurance agency?

Mr. KOPECKY. Yes, sir.

The CHAIRMAN. Then you have one relative. Lippel is a relative of whom?

Mr. KOPECKY. Of Louis Block.

The CHAIRMAN. Then you have the International Butchers Union investing \$25,000. Then you have the administrator of the pension and welfare fund of the union loaning \$350,000.

Mr. KOPECKY. That is correct.

The CHAIRMAN. So this is a family owned project, both of them?

Mr. KOPECKY. That is the correct way of putting it; yes, sir.

The CHAIRMAN. Well, that is what it shows. They own a great majority of both. And the investors in these projects are getting their money from the employers and from the international union, and from the insurance company that handles the insurance, the pension and welfare fund?

Mr. KOPECKY. That is correct.

The CHAIRMAN. Beyond that, outside of this relative, there are no other investors?

Mr. KOPECKY. No, sir.

Mr. KENNEDY. Except the one friend, Harry Zaifert.

Mr. KOPECKY. Harry Zaifert, who has an investment of \$100,000 in a second mortgage.

The CHAIRMAN. That is a second mortgage. But it is a pretty well closely knit, two-brother's business, financed directly and indirectly by the international union and by the insurance company that handles the welfare and pension funds, and by four employers?

Mr. KOPECKY. That is right.

The CHAIRMAN. That is the way it adds up.

Senator CHURCH. By employers, do you mean companies that they have contracts with, whose employees are organized under this particular local?

Mr. KOPECKY. Under these two local unions, 342 and 640.

Senator CHURCH. These two local unions are the bargaining agents, then, for the employees whose employers have invested this money in this country club?

Mr. KOPECKY. That is right, Senator.

Mr. KENNEDY. There was only 1 investment, a \$100,000 investment, out of the \$767,000 invested, that has got something to do with the union, directly or indirectly?

Mr. KOPECKY. And 1 additional item of \$36,000 by a relative under the Deercrest Country Club.

Mr. KENNEDY. \$100,000 and \$36,000?

Mr. KOPECKY. That is right, out of a total in excess of \$767,000.

Mr. KENNEDY. That is all, Mr. Chairman.

The CHAIRMAN. Call the next witness.

Mr. KENNEDY. Mr. Thomas Donahue.

The CHAIRMAN. You do solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. DONAHUE. I do, sir.

TESTIMONY OF THOMAS A. DONAHUE, ACCOMPANIED BY COUNSEL, ERNEST J. HABERLE

The CHAIRMAN. State your name, your place of residence, and business or occupation.

Mr. DONAHUE. My name is Thomas A. Donahue. I live at 150 Greenway Terrace, Forrest Hills, N. Y. I am with the Boback Co. 38 years, or a little more, and I have always been in the meat end of the business.

The CHAIRMAN. Of what?

Mr. DONAHUE. The meat end of the business. We are a food chain operating 180-some stores, 186, 168 of which are meat. We do an annual business of \$140 million, last year \$146 million. We operate in just Brooklyn and Long Island. My position now is I am vice president in charge of meat operation. I have only been the vice president not quite a year. Prior to that I was in charge of the meat operation.

The CHAIRMAN. You have your counsel with you, Mr. Donahue?

Mr. DONAHUE. Yes, sir.

The CHAIRMAN. Identify yourself for the record, please.

Mr. HABERLE. My name is Ernest J. Haberle, 44 Court Street, Brooklyn, N. Y.

The CHAIRMAN. Thank you.

Proceed.

Mr. KENNEDY. Mr. Donahue, you have participated, have you not, actively in the negotiations of the contract of the employers?

Mr. DONAHUE. I go back and about 20 years ago when the company first had contracts with the union, and I was called away from my

meat activities in Long Island and came in here and our president then had signed a blanket agreement with the A. F. of L.

Mr. KENNEDY. I am not going to go into the detail.

Mr. DONAHUE. In the beginning, I was in charge of labor relations for a year and a half.

Mr. KENNEDY. And you also participated since that time as part of the negotiating team?

Mr. DONAHUE. I sat in more or less in the negotiating of contracts for locals 340 and 642; yes.

Mr. KENNEDY. And they are the two butchers' unions?

Mr. DONAHUE. Yes.

Mr. KENNEDY. And during the course of those negotiations, you met Mr. Max and Louis Block?

Mr. DONAHUE. That is true.

Mr. KENNEDY. Did they ever suggest to you at any time that you should join their country club up in Connecticut?

Mr. DONAHUE. They told me about the country club. One of them did. I could not even tell you which one it was.

Mr. KENNEDY. Either Max or Louis?

Mr. DONAHUE. It could have been either one of them.

I went up there and looked at the place, while I was visiting up that way, and I saw it, and I thought "Well, it looks pretty good", and I was praising it up to the fellows the next time I saw them. They were building a golf course. It was not started or it was not finished. It was not completed, let's say.

Mr. KENNEDY. You have always been interested in golf?

Mr. DONAHUE. No; I never played golf. But they had tennis up there. I was interested in tennis, and I was interested in swimming, and they had a nice swimming pool up there.

Mr. KENNEDY. Do you live up there?

Mr. DONAHUE. No; I live in Forest Hills. It is about three-quarters of an hour away from my home.

Mr. KENNEDY. Did you join the country club?

Mr. DONAHUE. I did, some 2 years ago.

Mr. KENNEDY. What were your dues then that you had to pay?

Mr. DONAHUE. If I remember right, at the beginning it was only \$300, and then I think the next time I paid \$500; the last 2 years, I think, I paid \$500.

Mr. KENNEDY. Was that paid personally by you or by the company?

Mr. DONAHUE. That was paid personally by me. All the checks were paid by me, but the last year I went to the company. Well, let's put it this way, I was disallowed. I was brought down for questioning and it was disallowed as an expense. I spoke to someone in the company and said that I think I should get reimbursed for that, as it belongs to the company and not to me.

Mr. KENNEDY. The company told you that that membership belonged to the——

Mr. DONAHUE. No, not the company, no.

Mr. KENNEDY. Why did they——

Mr. DONAHUE. The Internal Revenue people told me that.

Mr. KENNEDY. They would not allow you to take it as an expense?

Mr. DONAHUE. They would not allow me.

Mr. KENNEDY. So the company started paying that?

Mr. DONAHUE. No. Then I squawked to someone and they said, "Well, you should put a bill in for it," and I put it in for that year, only last year.

Mr. KENNEDY. And the company reimbursed you then for the \$500?

Mr. DONAHUE. That is right. Not for what I spent up there, but just the \$500.

Mr. KENNEDY. Do you go up there very often?

Mr. DONAHUE. I was up there last year once—one time.

Mr. KENNEDY. And the year before that?

Mr. DONAHUE. The year before, probably three times.

Mr. KENNEDY. Do you belong to another country club near your home?

Mr. DONAHUE. Not a country club. I belong to the New York Athletic Club over in New York there, and I happen to have a place up in Traverse Island.

Mr. KENNEDY. The reason that you became a member was because of Max and Louis Block; was it not?

Mr. DONAHUE. Well, they were my friends, and there was an awful lot of people that I knew belonged up there that was in the meat industry, and I thought it would be a nice place to go. I don't know what you call it. A meatman likes to congregate with meatmen; let's put it this way.

Mr. KENNEDY. You haven't congregated very much up there.

Mr. DONAHUE. No; I did not.

Mr. KENNEDY. Did they also approach you about taking an ad in their journal?

Mr. DONAHUE. That I am a little familiar with, in this respect: That when they had an affair they would ask you to contribute so much to an ad in their journal. I forget now just what it was. It could be a dance or some sociable affair, or something of that nature.

Mr. KENNEDY. How would they ask you?

Mr. DONAHUE. Well, it would be that "We have you down for the silver page or the gold page," and one costs so much and the other costs so much.

Mr. KENNEDY. You mean they would write you a letter and say they have you down for a silver page?

Mr. DONAHUE. No; I don't think so.

Mr. KENNEDY. They would just call up?

Mr. DONAHUE. No. Maybe it came about in conversation with our man in charge of labor relations, or maybe I happened to be there.

Mr. KENNEDY. They would tell you that they were reserving a page for you and send you a bill?

Mr. DONAHUE. Something to that effect.

Mr. KENNEDY. According to the information we have, in 1951 you paid \$1,500; in 1953, \$1,500; 1956, \$1,500; 1947, \$200, for a total of \$4,700.

Mr. DONAHUE. I think that is correct; yes. I did not pass on these. I can't spend company's money like that. Somebody else has to pass. The man in charge of labor and some other, the advertising department, would expend that. We got an ad in the paper, in the journal. The ad was in the journal.

The CHAIRMAN. The company paid for it?

Mr. DONAHUE. The company paid for it; that is correct.

Mr. KENNEDY. That was also for good will; was it not?

Mr. DONAHUE. I would say advertisement.

Mr. KENNEDY. There are two matters that I want to discuss, and then several more. I was wondering if Mr. Block approached you about your company giving his son-in-law any of the paper business, as he approached the A. & P. Co.

Mr. DONAHUE. I was told that he was in that business or going into that business, newly married, and I was asked if I could do something, give him some business in our company. He was selling paper products, and he would appreciate that.

Mr. KENNEDY. Who said this to you? Max?

Mr. DONAHUE. Mr. Max Block. I said, "Well, I will take him over and introduce him to our man in charge who buys those supplies and it is up to him to see what he can do."

Mr. KENNEDY. Was he able to?

Mr. DONAHUE. He got some very, very little business out of there. He only got business out of there because his price was right. Our figures show that he did not get one-half of 1 percent of the amount of business that we do in paper products.

Mr. KENNEDY. You do quite a bit of business?

Mr. DONAHUE. Quite a bit of business.

Mr. KENNEDY. And he received \$8,500, approximately?

Mr. DONAHUE. In the course of a couple of years.

The CHAIRMAN. You mean you made as small a gesture as you could?

Mr. DONAHUE. Yes. No, I think he got the job on the basis of his price.

Mr. KENNEDY. That was Mr. Zeitler, is that right, his son-in-law?

Mr. DONAHUE. That is right.

Mr. KENNEDY. How many times did Mr. Block speak to you about that?

Mr. DONAHUE. I don't think he spoke more than once about it. He did ask me one time, "How is he making out?" And I said, "I will have to check to see how he is making out with our buyer."

Mr. KENNEDY. Do you also sell meat directly to his restaurant, the Black Angus Restaurant?

Mr. DONAHUE. We do.

Mr. KENNEDY. How long have you been doing that?

Mr. DONAHUE. That goes back 10 to 12 years, when they had a little small restaurant, and they bought maybe 6 or 8 short loins. They only bought the short loins from us. They used to come over with their little private car and put it in there, and we sold it to them.

Mr. KENNEDY. Since 1951, I believe, the middle of 1951, you sold them about \$1,300,000 worth?

Mr. DONAHUE. That is correct.

Mr. KENNEDY. Do you make those sales to any other restaurants in New York?

Mr. DONAHUE. We did not; no.

Mr. KENNEDY. This is an accommodation, particularly to Mr. Block?

Mr. DONAHUE. It started off as an accommodation, and then we found out that we were not losing any money on it, and as we were helping our business over all so we continued.

Mr. KENNEDY. But this is the only kind of sale of this type that you have; is it not?

Mr. DONAHUE. That is correct.

Mr. KENNEDY. You don't sell to any other restaurants?

Mr. DONAHUE. The business was started off as a cash and carry. We are strictly cash and carry. They come over and paid cash for it and took it away.

Mr. KENNEDY. Do you make deliveries to them?

Mr. DONAHUE. We have, in the last year and a half, we have been making a delivery to them, but they make it on our trucks. We have a market truck that goes over the bridge, passes their place, and goes to the West Washington Market to pick up meat. Our market trucks go down there maybe 5 or 6 times a day. On the way down they drop it off, and they pick up that meat on our terms. We tell them to be there at 7 o'clock, and they must have somebody in that place at 7 o'clock to receive this meat, which they do.

The CHAIRMAN. Are there any questions?

Senator CHURCH. Mr. Donahue, did I understand you to say that the first year of membership in this country club cost you \$300?

Mr. DONAHUE. I think it was \$300; yes.

Senator CHURCH. As you recall, you actually went out and availed yourself of the facilities of the club on three occasions?

Mr. DONAHUE. That was——

Senator CHURCH. The first year.

Mr. DONAHUE. Last year was once and the year prior to that was twice.

Senator CHURCH. Twice?

Mr. DONAHUE. Yes. Then I could have been up there 3 or 4 other times. Altogether it could not have been more than maybe 8 or 10 times that I have been in the club.

Senator CHURCH. This makes for quite an expensive thing for you, doesn't it, to go that infrequently and to pay \$300 and then \$500 a year?

Mr. DONAHUE. I have been to more expensive places, but it was expensive, yes, for that.

Senator CHURCH. And the last year the company reimbursed you?

Mr. DONAHUE. At my request, yes.

Senator CHURCH. At your request?

Mr. DONAHUE. Yes.

Senator CHURCH. To your knowledge, are there other executives in your company who are also members of this country club?

Mr. DONAHUE. There are none, no. That I know for sure.

I would know.

The CHAIRMAN. All right. Thank you. Call the next witness.

Mr. KENNEDY. Mr. Charles Haussermann.

The CHAIRMAN. You do solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. HAUSSERMANN. I do.

**TESTIMONY OF CHARLES HAUSSERMANN, ACCOMPANIED BY
COUNSEL, DANIEL A. LYNCH**

The CHAIRMAN. State your name, your place of residence, and your business or occupation, please.

Mr. HAUSSERMANN. Charles Haussermann, Meadowbrook Lane, Old Westbury, N. Y. My place of business is Van Iderstine Co., Long Island City. My title is president.

The CHAIRMAN. You are president of the company?

Mr. HAUSSERMANN. Yes.

The CHAIRMAN. Counsel, will you identify yourself for the record, please?

Mr. LYNCH. My name is Daniel A. Lynch, 366 Madison Avenue, New York City.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Mr. Haussermann, what does your company do?

Mr. HAUSSERMANN. We render; render fat and bones.

Mr. KENNEDY. You what?

Mr. HAUSSERMANN. Render. We cook.

Mr. KENNEDY. And then what do you do, sell that?

Mr. HAUSSERMANN. Sell that for tallow, poultry feed, glue.

Mr. KENNEDY. You have been organized by local 640 of the Meat Cutters?

Mr. HAUSSERMANN. That is right.

Mr. KENNEDY. Since about 1940?

Mr. HAUSSERMANN. 1940.

Mr. KENNEDY. And you have about 165 or 167 employees under contract?

Mr. HAUSSERMANN. That is right.

Mr. KENNEDY. That is, with that union.

(At this point, Senator Mundt entered the hearing room.)

Mr. KENNEDY. The present contract was signed February 17, 1956, or effective February—

Mr. HAUSSERMANN. That was dated February 17, 1956, yes.

Mr. KENNEDY. Do you belong to the Deercroft Country Club?

Mr. HAUSSERMANN. I do.

Mr. KENNEDY. When did you become a member?

Mr. HAUSSERMANN. 1956.

Mr. KENNEDY. Who approached you about becoming a member?

Mr. HAUSSERMANN. Louis Block.

Mr. KENNEDY. What did he say to you at that time?

Mr. HAUSSERMANN. He had spoken about it a year or two before, they were planning a golf club, and he said when it becomes effective he would like me to become a member. When it did, I became a member.

Mr. KENNEDY. That was 1956?

Mr. HAUSSERMANN. That is right.

Mr. KENNEDY. How much did you pay?

Mr. HAUSSERMANN. I think I paid \$1,100.

Mr. KENNEDY. Was that paid by you?

Mr. HAUSSERMANN. That was paid by me.

Mr. KENNEDY. And in 1957?

Mr. HAUSSERMANN. Also. I think it was cheaper in 1957.

Mr. KENNEDY. I think it was \$800.

Mr. HAUSSERMANN. Well, about \$800.

Mr. KENNEDY. Or \$870. Where do you live?

Mr. HAUSSERMANN. Old Westbury.

Mr. KENNEDY. That is Long Island?

Mr. HAUSSERMANN. Long Island.

Mr. KENNEDY. And this is in Connecticut?

Mr. HAUSSERMANN. That is right.

Mr. KENNEDY. Do you have another country club?

Mr. HAUSSERMANN. I do.

Mr. KENNEDY. Where is that?

Mr. HAUSSERMANN. Brookville Country Club.

Mr. KENNEDY. Is that near your home?

Mr. HAUSSERMANN. That is near my home.

Mr. KENNEDY. How often do you go up to this country club?

Mr. HAUSSERMANN. I have been there 6 or 7 times.

Mr. KENNEDY. In the last 2 years?

Mr. HAUSSERMANN. In the last 2 years.

Mr. KENNEDY. What is your reason for belonging to it?

Mr. HAUSSERMANN. Well, we have a lot of customers up through Westchester, Connecticut, and I thought it would be a place to entertain.

Mr. KENNEDY. And sort of a goodwill gesture?

Mr. HAUSSERMANN. Yes.

Mr. KENNEDY. You make a number of loans, as I understand also, your company?

Mr. HAUSSERMANN. That is correct.

Mr. KENNEDY. To your various customers?

Mr. HAUSSERMANN. That is correct.

Mr. KENNEDY. And this is also in order to achieve goodwill, is that correct?

Mr. HAUSSERMANN. We lend money to secure a source of raw material for our business and that is goodwill.

Mr. KENNEDY. That is the reason that you loan money out?

Mr. HAUSSERMANN. That is right.

Mr. KENNEDY. Did you loan some money to the Deerecrest Country Club?

Mr. HAUSSERMANN. We did.

Mr. KENNEDY. How much money?

Mr. HAUSSERMANN. \$25,000 at 3 percent.

Mr. KENNEDY. Who approached you about that?

Mr. HAUSSERMANN. Louis Block.

Mr. KENNEDY. He said that he wanted you to loan the money?

Mr. HAUSSERMANN. He said that they were having trouble, financially, that it was costing more to build the golf club than they thought, and they might need some help. That was, I would say, in June or July of 1956.

Mr. KENNEDY. So you decided to loan them the money?

Mr. HAUSSERMANN. He approached me again in August and we lent the money.

Mr. KENNEDY. At what interest?

Mr. HAUSSERMANN. Three percent.

Mr. KENNEDY. And you loaned him money for the goodwill involved?

Mr. HAUSSERMANN. We loaned it to secure a stop, too, we were unloading the material of the Deercreek Country Club.

Mr. KENNEDY. You wanted to get their material from that club?

Mr. HAUSSERMANN. Yes.

Mr. KENNEDY. How much was that stop worth in 1957, for instance?

Mr. HAUSSERMANN. In 1957, and to date, it is about \$22 worth of material.

Mr. KENNEDY. \$22 worth of material for the whole year?

Mr. HAUSSERMANN. For 1957.

Mr. KENNEDY. For the whole of 1957?

Mr. HAUSSERMANN. That is right.

Mr. KENNEDY. So you loaned \$25,000 at 3 percent interest in order to get a stop where you could make \$22?

Mr. HAUSSERMANN. I didn't make \$22. I paid \$22.

Mr. KENNEDY. What percentage did you make out of the \$22?

Mr. HAUSSERMANN. Maybe we made \$2.

Mr. KENNEDY. You loaned \$25,000 at 3 percent interest in order to get a stop where you made \$2?

Mr. HAUSSERMANN. We don't intend to lose the stop. I hope over the years to make a good deal more than \$2.

Mr. KENNEDY. How are you doing this year, 1958?

Mr. HAUSSERMANN. We have gotten \$22 worth of material to date.

Mr. KENNEDY. How much did you get in 1957?

Mr. HAUSSERMANN. I am sorry. In 1958 we got \$22, and last year we got \$15.

Mr. KENNEDY. So it seems to be improving.

Mr. HAUSSERMANN. I will tell you that later.

Mr. KENNEDY. Do you ever make loans of \$25,000 at 3 percent interest to anybody who can give you a stop where you make \$2 one year and \$3 the next?

Mr. HAUSSERMANN. I think you are talking about \$2 this year.

Mr. KENNEDY. Well, \$1.50 last year and \$2 this year?

Mr. HAUSSERMANN. To date. We hope the country club will open through 1958, and we will collect. During the summer they make more material than they do in the winter.

Mr. KENNEDY. But to do really well, you might double your profits and make up to \$3.50?

Mr. HAUSSERMANN. We may make \$50 to \$100.

Mr. KENNEDY. You will have to do much better than you are doing so far.

Mr. HAUSSERMANN. That is right.

Mr. KENNEDY. Do you make these kind of loans for these kind of profits?

Mr. HAUSSERMANN. We have made loans where we didn't make this much profit.

Mr. KENNEDY. You also, I expect, wanted to retain the goodwill of Max and Louis Block, who are the important figures in this local, is that correct?

Mr. HAUSSERMANN. Well, it wouldn't hurt.

Mr. KENNEDY. Do you also take an ad in their magazine?

Mr. HAUSSERMANN. We have taken ads in various journals over the years. I couldn't tell you whether it was for the local. I remember

1 year we had, I think, a \$1,000 or \$1,500 ad in which the funds went to the city of Hope. It was a testimonial dinner for, I think, Jimmerson of the international.

Mr. KENNEDY. What was that again?

Mr. HAUSSERMANN. One of the dinners that we took an ad in was a testimonial dinner for Jimmerson, which, at the end of the dinner, they gave Judy Holliday for the City of Hope.

Mr. KENNEDY. Any other ads?

Mr. HAUSSERMANN. We have taken other ads. I can't recall them at the moment.

Mr. KENNEDY. Do you know how much they were?

Mr. HAUSSERMANN. They would be in the neighborhood of \$1,000.

Mr. KENNEDY. What was the reason you took these other ads?

Mr. HAUSSERMANN. For the same reason we take them in trade journals. We take them in all the butcher magazines. We have 10 or 15 of those every year where we take ads, advertisements.

Mr. KENNEDY. Was this also for good will?

Mr. HAUSSERMANN. Well, I imagine any ad we took would be for good will.

Mr. KENNEDY. Do you have to pay as much as \$1,000 in these other journals?

Mr. HAUSSERMANN. Yes. There is the New York, Bronx, and independent retail dealers. We pay \$2,500 for an ad.

Mr. KENNEDY. Those are all industrywide?

Mr. HAUSSERMANN. Yes. Well, the people in this union are in the meat industry, and they are in the stores which we service.

Mr. KENNEDY. When did you sign the contract that you have at the present time?

Mr. HAUSSERMANN. The date of it, I believe, was June 1956. It was dated back to February 17, 1956.

Mr. KENNEDY. And it was supposed to be a wage reopening every February?

Mr. HAUSSERMANN. That is correct.

Mr. KENNEDY. Did you discuss with Mr. Block, you and other members of your company, and other individuals, the fact that you wouldn't really have a wage reopening in February 1957?

Mr. HAUSSERMANN. We had said we would like not to, but we had a reopening, and we paid an increase.

Mr. KENNEDY. I know you had one, but didn't you discuss with him at the Beverly Hotel in the summer of 1956 the fact that he would waive that reopening and that the reopening wouldnt take place until November of 1957?

Mr. HAUSSERMANN. No, there was no promise.

Mr. KENNEDY. Didn't he indicate that that is what he would do?

Mr. HAUSSERMANN. We had requested if it would be possible that we wouldn't have to have any wage reopening until 1959.

Mr. KENNEDY. And he indicated at that time——

Mr. HAUSSERMANN. That he would see what he could do.

Mr. KENNEDY. And that was despite the fact that the terms of the contract specifically provided for the fact that there would be a wage reopening in February 1957?

Mr. HAUSSERMANN. Well, that didn't mean that there wouldn't be a reopening. It would mean maybe we wouldn't have any increase in February 1957.

Mr. KENNEDY. Didn't he say that he would see to it that the wage reopening, was protracted through November of 1957?

Mr. HAUSSERMANN. No.

Mr. KENNEDY. Did you request him to do that?

Mr. HAUSSERMANN. We requested, every time we negotiated, for no increase.

Mr. KENNEDY. Didn't he indicate to you at that time that that is what he would do for 1957?

Mr. HAUSSERMANN. He said he would see what he could do.

Mr. KENNEDY. You were fairly certain that he was going to do it, were you not?

Mr. HAUSSERMANN. No.

Mr. KENNEDY. Well, we will have some testimony on that later.

The CHAIRMAN. Are there any questions?

If not, thank you.

Call the next witness.

Mr. KENNEDY. Mr. Beatson.

The CHAIRMAN. You do solemnly swear that the evidence you shall give before the Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. BEATSON. I do.

TESTIMONY OF DANIEL BEATSON

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. BEATSON. Daniel Beatson, 111 15th, Myrtle Avenue, Richmond Hill, N. Y. I am a truckdriver for the Cushman & Sons, New York City.

The CHAIRMAN. You waive counsel, Mr. Beatson?

Mr. BEATSON. I do.

Mr. KENNEDY. Mr. Beatson will be recalled at a later time, Mr. Chairman, but there is one matter that I want to discuss with him at this time.

Mr. Beatson, you were a former business agent for local 342 and 640 of the Meat Cutters?

Mr. BEATSON. That is true.

Mr. KENNEDY. Are you familiar at all with the negotiations or the discussions that were held at the Beverly Hotel in the summer of 1956?

Mr. BEATSON. Yes, I am.

Mr. KENNEDY. And that was in connection with Mr. Haussermann?

Mr. BEATSON. That is right.

Mr. KENNEDY. And his firm, too, is that right?

Mr. BEATSON. No. Mr. Haussermann is president of the association that comprises about 17 rendering companies in the New York area.

Mr. KENNEDY. Was he present at this meeting?

Mr. BEATSON. He was.

Mr. KENNEDY. Can you tell us who else, some of the other people who were present?

Mr. BEATSON. Mr. Lynch, his attorney.

Mr. KENNEDY. Mr. Lynch, his attorney, was there?

Mr. BEATSON. Yes, sir.

Mr. KENNEDY. Who else was there?

Mr. BEATSON. I believe Mr. Rosenberg, of Rosenberg Rendering.

Mr. KENNEDY. What about the union?

Mr. BEATSON. Max Block, Harold Lippel, and Arnold Cohen.

Mr. KENNEDY. Arnold Cohen, the union attorney?

Mr. BEATSON. That is right, and myself.

Mr. KENNEDY. Were there any discussions about the terms of the contract?

Mr. BEATSON. Yes.

Mr. KENNEDY. Could you relate to the committee what was agreed to at that meeting?

Mr. BEATSON. Well, could I go into the background?

Mr. KENNEDY. Yes.

Mr. BEATSON. The contract was up on February 17, and the negotiations were dragging out through the summer. Around June of that year, I got a call to go to the Beverly Hotel. I went up there and in the room was Harold Lippel, Max Block, Arnold Cohen, Dan Lynch, Mr. Haussermann's attorney; and also the attorney for the association, Mr. Rosenberg, of Rosenberg Rendering; Mr. Cohen of Lincoln Farms; Mr. Theibold, of Theibold Rendering, in Jersey; and a few other employers.

The meeting was very short and to the point, and I was very startled by it. Apparently the arrangement was made before I got there, or at a former meeting that Mr. Block had with Mr. Haussermann, and the agreement was this, that they would sign a contract, predated to February 17. It was a 3-year contract, to be reopened every year, but the following year, on February 17, they would drag out the negotiations and get an arbitrator who would make an award around November of 1957 and state that the increases should be from November of 1957 because the industry was unable to pay the money, the back pay, to February 17.

Mr. KENNEDY. So this was all arranged at these negotiations?

Mr. BEATSON. This is the first that I heard of it, at this meeting. But when I arrived there, that is the way it was spelled out.

Mr. KENNEDY. And the terms of the contract stated that the wage reopening should take place in February of the year?

Mr. BEATSON. That is right, February 17.

Mr. KENNEDY. And they agreed that although they would start the negotiations and the discussions in February, they would drag them out with the help of an arbitrator, supposedly an independent arbitrator, to November of the year, and then they would arrange to have the arbitrator say they could not afford—

Mr. BEATSON. In fact, the deal was changed there at the meeting. It was supposed to be to September, and Mr. Block was being very gracious and extended it 2 more months to November.

Mr. KENNEDY. Then the arbitrator would say that the industry could not afford the raise?

Mr. BEATSON. That was the deal.

Mr. KENNEDY. Did you make any statement about it at that time?

Mr. BEATSON. As I left, I left with Arnold Cohen and Lippel and we went downtown in a taxicab back to the office.

Mr. KENNEDY. Who is Lippel?

Mr. BEATSON. Lippel is the secretary-treasurer of 640 and the brother-in-law of Louis Block. I told them I was sickened by it, the deal, and it was just going to throw the membership into a turmoil, because they had rotten deals in the past, and this was the topper.

I just arrived a short time before and they put me to work as a business agent for the rendering. I uncovered many shady deals, companies without contracts, and when I brought them to the attention, either I was taken off the job or they found something very busy for me to do some place else and at a great distance away from where these deals were going on.

I related—Cohen said, "Well, we did pretty good the last couple of years," so I said, "I don't know how good you did in the last couple of years, but this will sour any good that you ever did." That was the extent of the conversation. I told Block that time, and I told the three of them, that I refused to have any part of it.

Mr. KENNEDY. You felt that the membership was being sold—

Mr. BEATSON. Sold down the river.

Mr. KENNEDY. Did this actually go into effect? Is this actually what happened?

Mr. BEATSON. No; I left immediately after or a few weeks after, and I told the members about it. Of course, the thing blew up and they made another deal.

Mr. KENNEDY. You told the membership, you told these people what had happened?

Mr. BEATSON. What was going to happen, when they were talking about the reopening, and I said, "You can forget about the reopener, because the deal is already made." Of course, we had a campaign, and during it I brought it out to a lot of the members.

Mr. KENNEDY. That is all.

The CHAIRMAN. Are there any questions?

If not, thank you very much.

Call the next witness.

Mr. KENNEDY. Mr. Moe Steinmann.

The CHAIRMAN. You do solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. STEINMANN. I do.

TESTIMONY OF MOE STEINMANN, ACCOMPANIED BY HIS COUNSEL, MONROE GOLDWATER

The CHAIRMAN. State your name, your place of residence, and your business, or occupation?

Mr. STEINMANN. Moe Steinmann, 45 Runyon Place, Scarsdale, N. Y., director of labor relations.

The CHAIRMAN. What?

Mr. STEINMANN. Director of labor relations of Daitch-Crystal Dairies.

The CHAIRMAN. For a company?

Mr. STEINMANN. Yes, Daitch-Crystal Dairies, Inc.

Mr. KENNEDY. The name is Daitch-Crystal Dairies, Inc.

Mr. STEINMANN. Yes, sir.

The CHAIRMAN. Counsel, will you identify yourself for the record.
Mr. GOLDWATER. My name is Monroe Goldwater, 60 East 42d Street, New York City.

The CHAIRMAN. All right, Mr. Kennedy.

Mr. KENNEDY. Mr. Steinmann, what does your company do?

Mr. STEINMANN. It has supermarkets.

Mr. KENNEDY. In what area? New York?

Mr. STEINMANN. All of the metropolitan area.

Mr. KENNEDY. How many supermarkets do you have?

Mr. STEINMANN. I think it is 58 supermarkets and we have small dairy stores with it.

Mr. KENNEDY. How many employees do you have that are members of the butchers union?

Mr. STEINMANN. Well, we have 4 butchers unions and we have about 300 employees.

Mr. KENNEDY. Included in that is local union 342?

Mr. STEINMANN. Yes. They are about the smallest. There are about 50 people in 342.

Mr. KENNEDY. Now, did you make an investment in the country club in 1955?

Mr. STEINMANN. I bought debentures for my three kids.

Mr. KENNEDY. For whom?

Mr. STEINMANN. For my three children.

Mr. KENNEDY. In the Deercrest Country Club?

Mr. STEINMANN. That is right.

Mr. KENNEDY. For how much money?

Mr. STEINMANN. \$5,000.

Mr. KENNEDY. How did you pay for that?

Mr. STEINMANN. Cash, my wife drew out \$4,038 out of a savings account that she had for a few years.

Mr. KENNEDY. To whom did you give the cash?

Mr. STEINMANN. Louis Block.

Mr. KENNEDY. When did you give it to him?

Mr. STEINMANN. Either at the end of August 1955, or the beginning of September of 1955.

Mr. KENNEDY. When did you receive the bonds?

Mr. STEINMANN. Some time in December.

Mr. KENNEDY. Of 1955?

Mr. STEINMANN. Yes, sir.

Mr. KENNEDY. Do you know what the reason for the delay was?

Mr. STEINMANN. Well, the way I understand it, it always takes 2 to 3 months to get debentures, and you usually have to give the money ahead of time.

Mr. KENNEDY. Did you become a member of the country club then, yourself?

Mr. STEINMANN. I didn't get that.

Mr. KENNEDY. Did you become a member of the country club?

Mr. STEINMANN. Yes, sir; me and my wife and my children.

Mr. KENNEDY. When did you become members?

Mr. STEINMANN. In 1956.

Mr. KENNEDY. How much did you pay?

Mr. STEINMANN. I think we paid \$300 for a lifetime initiation member, and seven hundred and some odd dollars, I don't recall. Altogether it was \$1,020 the first year.

Mr. KENNEDY. And each year after that?

Mr. STEINMANN. Yes, sir.

Mr. KENNEDY. About \$1,000 has it been?

Mr. STEINMANN. A little over \$1,000, with all of the necessary things, and I play golf and my wife plays golf.

Mr. KENNEDY. Is that paid by you personally?

Mr. STEINMANN. Yes; in 1956 and 1957.

Mr. KENNEDY. What about 1958?

Mr. STEINMANN. Well, the company treated me in 1958.

Mr. KENNEDY. The company treated you in 1958?

Mr. STEINMANN. Yes, sir.

Mr. KENNEDY. Did they deduct that as a business expense?

Mr. STEINMANN. I don't know how they treated it, and I know that the company treated me.

Mr. KENNEDY. For your wife and your children?

Mr. STEINMANN. Yes.

Mr. KENNEDY. Now, did you sign a contract with the Butchers Union that was effective in January of 1956?

Mr. STEINMANN. Yes; I signed a contract with a union.

Mr. KENNEDY. Was it 342?

Mr. STEINMANN. Yes, sir.

Mr. KENNEDY. Effective January of 1956?

Mr. STEINMANN. Yes, sir; some time in January of 1956, or some time in the year of 1956, but I don't know exactly what month or date.

Mr. KENNEDY. Now, one of the terms, No. 10 under the term "pension," states that the employer further agrees to contribute money to the local No. 362 pension fund the sum of \$2 per week for each employee covered by this agreement employed during the period month.

The said contribution shall become effective on the payroll date of January 3, 1956.

Did you make those contributions to the pension fund?

Mr. STEINMANN. No; not in 1956.

Mr. KENNEDY. When did you begin your contributions?

Mr. STEINMANN. In 1957, and I would like to explain it.

Mr. KENNEDY. I am going to ask you why. What was the reason, where the contract states you are to pay the pension fund \$2 per employee starting on January 3, 1956, and why was it you did not pay until May of 1957?

Mr. STEINMANN. Well, I originally had no business with the Block brothers in 1955, and there were two companies that merged, the Shopper Foods, Inc., and Crystal Dairies. The merger got into effect on December 23, 1955. The two companies started in business the first week of January.

When the 2 companies got together, there was 1 million different frictions involved in the company which we had to straighten out, to organize it. I negotiated about 3 or 4 or 5 times, and I don't recall, with local 342 and the demands that they asked for X amount of raise to managers, plus workers, plus the pension, and plus 40 hours.

When we finally settled this contract, we agreed to give a \$10 raise to managers, from \$125 to \$135 a week, and \$3 raise to the butchers, and \$5 raise to icebox men, and a \$5 raise to girls, and we agreed to

extend the pension 1 year to start in 1957, and start 40 hours in September of 1957. That is how we negotiated.

Mr. KENNEDY. Who agreed with that?

Mr. STEINMANN. Mr. Max Block, Billy Casale, and myself, as we were going along in the negotiations.

Mr. KENNEDY. It was just a verbal agreement by the three of you?

Mr. STEINMANN. No; in fact next to that contract, Mr. Kennedy, you have it as "per letter" and initialed by myself.

Mr. KENNEDY. What does that mean? Do you have such a letter?

Mr. STEINMANN. Well, no; I don't recall getting it or something to that effect. But it is a normal contract, where everybody gets it and it is not a special contract.

Mr. KENNEDY. It is a special deal when it says in the contract that you are to pay pension funds starting January 3, and it has it written right in here, January 3, 1956, of \$2 per employee, and then you have an agreement you don't have to pay it. That is a special deal.

Mr. STEINMANN. No; that same agreement, because our business was bad and we had the same agreement from local 389 with 190 people, and I got the same thing with them, and I gave them the raises and I agreed on the hours of 40 hours in 1957 and I agreed to pay them in pension in 1957.

Mr. KENNEDY. Is that in the contract?

Mr. STEINMANN. It is not written in that contract at all, and it says "per letter." Mr. Kopecky has the other contract where there is nothing like that in it, but yet by word we lived up to it, and we have been doing business for years.

Mr. KENNEDY. You and Max Block have lived up to it, but this contract says that the payment is to be made as of January 3, 1956. That is the written contract. You and Max Block then made from what I understand, a verbal agreement changing the terms of the contract?

Mr. STEINMANN. We negotiated and we argued that point for 4 or 5 times.

Mr. KENNEDY. Why didn't you put it in the contract?

Mr. STEINMANN. That I don't know. The only thing I know, they put down "per letter" right next to where it says "pension," and that is what it meant, but what happened to the letter, I really don't know.

Mr. KENNEDY. You didn't get a letter and "per letter" didn't mean anything when you just have your initials by it.

Mr. STEINMANN. It is my initials and Billy Casale's initials, too.

Mr. KENNEDY. If you wanted to put that in all you would have to do is change the date here. The date is specifically typed in here; January 3, 1956.

Mr. STEINMANN. Maybe it is my fault, I didn't bring a counsel into the negotiations, who would have corrected that. That is the best of my recollection that I could remember. Next time I will know better, I guess.

Mr. KENNEDY. Mr. Steinmann, all I say is that in the course of the discussions and the negotiations, if it was agreed that you wouldn't have to pay the pension until May of 1957, all that would have had to have been done is put in here "May of 1957." Instead, here is "January of 1956," and the facts are you didn't start paying until May of 1957, which saved your company some money.

Mr. STEINMANN. It started February of 1957.

Mr. KENNEDY. Which saved your company, I believe, about \$5,600 for your employees?

Mr. STEINMANN. No, I don't think so, and I think it was about \$4,800, what it comes out to.

Mr. KENNEDY. Did the employees know that during that period of time they weren't having the benefit of this pension?

Mr. STEINMANN. We were doing bad, and I want to explain that, too.

Mr. KENNEDY. I am sure that is always a reason for an employer, that he doesn't want to pay, because he would like to have the money himself. But if there is a contract, and you sign the contract, you are supposed to pay.

Mr. STEINMANN. Mr. Kennedy, we happen to have a public company. That doesn't go into the employer's pockets, and we are a stockholder company, and we merged in the beginning of 1956, and according to facts and records of 1955 when the two companies were separated the first quarter of the year, January, February, and March of 1956, we were losing money in comparison to 1955 when the two companies were separated. The proof of the pudding was that in 1956 our statement shows that a public company, that we lost money in comparison to when they were separated.

We looked for all of the help we could. That is to build up an organization.

Mr. KENNEDY. You weren't doing so badly that the company couldn't pay your dues at the country club for yourself and your wife, at Max Block's country club?

Mr. STEINMANN. Only in 1958, which last year we did very nicely once we got organized. In 1957 we showed a beautiful statement, about \$300,000 more than in 1956.

Mr. KENNEDY. Well, that is not a good reason, Mr. Steinmann, despite the fact you might think so, the fact that your company is not doing as well as it might, to waive the terms of a contract.

That is all.

Mr. STEINMANN. We didn't waive no terms. After all, you sit down with a union to negotiate, and I sat for 3 days and 3 nights fighting in different things that came up and it is a question of who gives and who takes. I didn't get that as a gift, and I had plenty of aggravations to negotiate this contract.

Senator CHURCH. There is one question, Mr. Chairman, that I don't believe has been answered. With respect to this contract that you did negotiate, and with respect to the modification that you made by letter, that is, that you would make the payments not as of May but as of the following February, was this known to your employees?

Mr. STEINMANN. To our employees, yes, sir, of course.

Senator CHURCH. To your employees and not the employer?

Mr. STEINMANN. To my bosses, yes.

Senator CHURCH. To your workers?

Mr. STEINMANN. Oh, yes. As far as I recall, a special meeting was called, and what date or what month, I don't recall, but our employees that worked for us knew that.

Senator CHURCH. Knew that payments would not be made?

Mr. STEINMANN. They will start in 1957.

Senator CHURCH. In February of 1957 rather than in May of 1956?

Mr. STEINMANN. That is right, because they got a retroactive pay of the raises.

Senator MUNDT. I would like to ask the witness, did you have the same contract with Mr. Block's union that you had with the other union, or did you have a special arrangement with Mr. Block's union?

Mr. STEINMANN. Oh, no, each contract is different, with different unions. This was an ordinary contract.

Senator MUNDT. On the question of the pension payments of \$2 a week, were both unions treated alike or did you get special consideration from Mr. Block?

Mr. STEINMANN. Both unions, and I didn't pay the other union for that year of 1956.

Senator MUNDT. They both started in February of 1957?

Mr. STEINMANN. Well, about that time. The other one started a little before, because their contract expires a little before.

Senator MUNDT. Did the 40-hour week begin with both sets of employees?

Mr. STEINMANN. Both of them.

Mr. KENNEDY. They are both unions of Mr. Block.

Senator MUNDT. Both are run by Mr. Block?

Mr. STEINMANN. No, the other is Dominick Maggiacomo.

Senator MUNDT. They are meat cutters' unions?

Mr. STEINMANN. Yes, but they are not run by Mr. Block.

Mr. KENNEDY. He is president of the district council?

Mr. STEINMANN. That has nothing to do with me at all, and I negotiate with Dominick Maggiacomo and I have nothing to do with Block.

Mr. KENNEDY. You don't know what the relationship between Mr. Maggiacomo and Mr. Block is?

Mr. STEINMANN. He gives me headaches, Mr. Block, and the other one gives me different headaches, and their contracts expire at different times.

Mr. KENNEDY. We had Mr. Maggiacomo as a witness here this morning, and so we understand a little bit about it.

Did any of the other officers belong to the country club?

Mr. STEINMANN. In what year?

Mr. KENNEDY. In your company.

Mr. STEINMANN. In what year?

Mr. KENNEDY. Any year.

Mr. STEINMANN. Well, they joined in 1957, two of them.

Mr. KENNEDY. Who pays for that?

Mr. STEINMANN. I really don't know.

Mr. KENNEDY. Does the company?

Mr. STEINMANN. I don't know, and I can't answer you that.

Mr. KENNEDY. In answer to Senator Church, you stated that the employees knew that the pension would not go into effect until May of 1957.

Mr. STEINMANN. In February of 1957.

Mr. KENNEDY. They knew about that?

Mr. STEINMANN. Yes, sir; the employees knew it.

Mr. KENNEDY. Who informed them?

Mr. STEINMANN. I know they called a special meeting to tell them what their retroactive pay was, which they got, plus they were told the hours, and they were told about the pension.

Mr. KENNEDY. Were they specifically told at that time?

Mr. STEINMANN. As far as I know, that is what I was told, that there was a special meeting and the employees were told that.

Mr. KENNEDY. And who told them?

Mr. STEINMANN. Billy Casale told them at the meeting.

Mr. KENNEDY. Billy Casale told you?

Mr. STEINMANN. He told me that he had a special meeting with the people.

Mr. KENNEDY. And he told them that this provision of the contract was not going to stay in effect?

Mr. STEINMANN. Not until February of 1957, something to that effect.

The CHAIRMAN. All right, call the next witness.

Thank you, sir.

Mr. KENNEDY. Mr. Harry Breslau.

The CHAIRMAN. You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. BRESLAU. I do.

**TESTIMONY OF HARRY L. BRESLAU, ACCOMPANIED BY HIS
COUNSEL, ALBERT E. ARENT**

The CHAIRMAN. All right, Mr. Breslau, will you state your name and place of business?

Mr. BRESLAU. Harry Breslau, president of Breslau Packing & Unloading Co. in New York City.

The CHAIRMAN. What is your residence?

Mr. BRESLAU. 4 Blue Sea Lane, Kings Point.

The CHAIRMAN. You have your counsel present, and will you identify yourself for the record?

Mr. ARENT. Albert E. Arent, Ring Building, Washington, D. C.

Mr. KENNEDY. Mr. Breslau, how many employees do you have?

Mr. BRESLAU. Around 32.

Mr. KENNEDY. And they are members of a union?

Mr. BRESLAU. Yes, sir.

Mr. KENNEDY. What union?

Mr. BRESLAU. Local 640.

Mr. KENNEDY. Of the Meat Cutters?

Mr. BRESLAU. Yes, sir.

Mr. KENNEDY. Have you made an investment in the Deercrest Country Club?

Mr. BRESLAU. I have.

Mr. KENNEDY. When did you make that investment?

Mr. BRESLAU. In 1956.

Mr. KENNEDY. Of how much?

Mr. BRESLAU. \$5,000.

Mr. KENNEDY. Who suggested you make the investment?

Mr. BRESLAU. Mr. Louis Block.

Mr. KENNEDY. Now, when was your contract signed? You are also a member of the country club, are you?

Mr. BRESLAU. That is right.

Mr. KENNEDY. When did you become a member?

Mr. BRESLAU. In 1957.

Mr. KENNEDY. Had you visited at the country club prior to that time?

Mr. BRESLAU. I have.

Mr. KENNEDY. As whose guest?

Mr. BRESLAU. Mr. Louis Block.

Mr. KENNEDY. How much were you paying for your membership?

Mr. BRESLAU. I would say around \$900.

Mr. KENNEDY. About \$900?

Mr. BRESLAU. Yes, sir.

Mr. KENNEDY. That started when?

Mr. BRESLAU. 1957.

Mr. KENNEDY. Did you pay it or did your company pay it?

Mr. BRESLAU. The company.

Mr. KENNEDY. Was that deducted as a business expense?

Mr. BRESLAU. Yes, it was.

Mr. KENNEDY. Now, when did you sign your contract with the union?

Mr. BRESLAU. I belong to the New York Wholesale Meat Council and they signed the last contract around March of 1957.

Mr. KENNEDY. Now, does the union contract provide that you are to make a \$2 payment per employee to the union pension fund?

Mr. BRESLAU. It does.

Mr. KENNEDY. Have you made those payments?

Mr. BRESLAU. No, I did not.

Mr. KENNEDY. You haven't made any of those payments?

Mr. BRESLAU. No, I have not.

Mr. KENNEDY. Nobody has requested that you pay it?

Mr. BRESLAU. As of the first of this year, it has been requested that I pay it.

Mr. KENNEDY. As of the first of the year?

Mr. BRESLAU. That is correct.

Mr. KENNEDY. When were you requested to pay?

Mr. BRESLAU. I received a call around the first of the year, a few days more or less, from the president of the meat council.

Mr. KENNEDY. Who was that?

Mr. BRESLAU. Mr. Kauffman, Joseph Kauffman, that the union would like to have a meeting with us. We went down to the meeting, and Mr. Natt was president, and Mr. Max Block, and he demanded payment for the pension fund at that time.

Mr. KENNEDY. Did you agree to pay them?

Mr. BRESLAU. No, we did not agree, because we told him and showed him where my men for being laborers received \$7,000 a year or better, and they get other benefits which is not part of the standard contract, to make up the difference.

Mr. KENNEDY. Did he say you wouldn't have to pay then?

Mr. BRESLAU. No, he argued pro and con, and when I left him I thought everything was all right, but recently I have been told that there would be arbitration on the demand for payment.

Mr. KENNEDY. How long ago did he contact you that there would be arbitration?

Mr. BRESLAU. He hasn't contacted me. Mr. Kauffman contacted me.

Mr. KENNEDY. How long ago was that?

Mr. BRESLAU. Around a month ago.

Mr. KENNEDY. About a month ago?

Mr. BRESLAU. Yes, sir.

Mr. KENNEDY. And you said this matter would have to be discussed further?

Mr. BRESLAU. That is correct.

Mr. KENNEDY. How much did you save each year on not having to pay?

Mr. BRESLAU. It was around a year and a half, \$3,500 for the first year, and you could take half of that.

Mr. KENNEDY. Around \$5,000?

Mr. BRESLAU. There was no saving whatsoever.

Mr. KENNEDY. You saved \$2 per employee.

Mr. BRESLAU. I did not save them, I paid them in other benefits which are not part of this contract.

Mr. KENNEDY. Once again, you also signed a contract in which you stated that you would pay according to the terms of the contract, \$2 per employee?

Mr. BRESLAU. In all of the years that I have been negotiating, Mr. Kennedy, my contract has been completely different than the standard contract in the meat industry, because it is the only business of its kind. I am not connected in the meat business as such.

Mr. KENNEDY. I will say the same thing I said to the previous witness. Why wasn't that put in the contract, and why wasn't the contract modified to provide for that?

Mr. BRESLAU. I do not know.

Senator MUNDT. Have you had any complaints from your men because you don't make these payments?

Mr. BRESLAU. No, I have not.

Senator MUNDT. Do they know that you are not making them?

Mr. BRESLAU. I don't know.

Senator MUNDT. You don't know whether they know?

Mr. BRESLAU. No, because my men, I have a turnover of roughly every 2 or 3 years. The work is very, very hard and it is all night work, and that is the reason for the high salaries, such as \$7,000 a year. This is unskilled labor that I am talking about now. And the men are quite satisfied to receive the money.

Senator MUNDT. But they have no pension protection?

Mr. BRESLAU. No one stays there that long in my business and it is the hardest part connected with the meat business. In fact, I think it is the only one of its kind.

The CHAIRMAN. How do you account for these contracts being made providing for pension funds, and then it being waived after the contract is entered into?

Mr. BRESLAU. Senator, I did not negotiate this contract, the Meat Council did. And when I received my copy I noticed that was in there and I objected to it strenuously because it was not in any of my other contracts.

The CHAIRMAN. I just wonder, if the men who see these contracts, if they see them, and I don't know whether they know what is in them or not, but if they see them and think they are a pension, they might go on for years and then find out all of a sudden that they have no pension fund, while they thought they had been protected in a contract that their bargaining representative had made for them.

Mr. BRESLAU. Senator, I do not believe that my men believe that they were covered.

The CHAIRMAN. I don't know. They may have had no reason ever to suspect it, and they may not know what was in the contract that was made for them. That is another weakness that I find in this labor-management relation. Working people have to belong to the union and pay dues, and they don't know what kind of protection they have.

We also find instances where they inquire and they are ruled out of order, or something else happens to them. What I would like to see, and I am sure that this is the sentiment of the committee and of the Congress and of the people generally, is that when bargaining representatives make a contract for the benefit presumably of the workers, the workers are entitled to know and have information as to what their contract is, and what their rights are under the contract, and what protection or benefits they are receiving as a part of that bargaining agreement.

Mr. BRESLAU. Senator, I had been a party of the 1956 part of the New York Meat Council signed contract, and I believe in March of 1956 I was notified by my men and the union that they weren't satisfied with the conditions in this signed contract, and wanted to reopen it. They did, and the increase cost me between \$20,000 and \$25,000 which I had to agree to to satisfy my men, because otherwise they wanted to walk off on strike numerous times and they have walked off.

The CHAIRMAN. I am not necessarily blaming you in this instance, but I am pointing up this practice of making a provision in a contract for pension or welfare funds, and then its being waived afterward and no pension or welfare funds collected. That can very well work a deception upon laboring people who think they have that as a part of their consideration of employment.

It is not dealing with this one alone necessarily at this time, but I think the people who work, and where a contract is made for them by their bargaining representative, are entitled to know what that contract provides, and what benefits they are entitled to receive from it.

I think there is a dual responsibility primarily, of course, upon the union itself, and the union officials, but upon both, if necessary, management and union, to make the contents and provisions of a negotiated bargaining contract known to the men who are presumed to be the beneficiaries of it.

Senator MUNDT. You said that your men got around \$7,000 per year?

Mr. BRESLAU. Yes, sir.

Senator MUNDT. Now, looking at your payroll, most of your men are described as luggers.

Mr. BRESLAU. Luggers, that is right.

Senator MUNDT. Is it these luggers who get \$7,000 a year or just the foreman?

Mr. BRESLAU. Not just the foreman. The luggers themselves average \$7,000 a year. I have their withholding statements if you would like to see them.

Senator MUNDT. I am not questioning that. I am asking you for information.

Mr. BRESLAU. I have them with me.

Senator MUNDT. I am wondering about a fellow like Patrick O'Rourke. He has been with you over 10 years, and \$7,000 a year to me sounds like a pretty good salary for what would appear to be just manual labor, unloading meat.

Mr. BRESLAU. That is just what it is.

Senator MUNDT. But I was wondering whether Mr. O'Rourke, just to take a name, who seems to be the fellow who has been with you the longest among your common helpers, knows whether he is operating under the allusion that he has a pension coming to him or whether he knows he doesn't have a pension coming to him.

Mr. BRESLAU. I couldn't answer you, Senator.

Senator MUNDT. You wouldn't know?

Mr. BRESLAU. No.

Senator MUNDT. You said that you gave them special benefits?

Mr. BRESLAU. That is correct.

Senator MUNDT. In addition to the contract?

Mr. BRESLAU. Which is not in the regular contract at all.

Senator MUNDT. What would be the nature of those benefits?

Mr. BRESLAU. In the meat industry, if there is a man short out of a crew, or a cutter, the rest of the men have to do the man's work, and there is no extra money or benefits they would receive. When I am a man short, the balance of the crew of the 6 men receive this man's pay, as a bonus, plus the fact that if they work short handed the 3 men who have to do the actual carrying, they receive a bonus for carrying the beef.

If a trailer or truck weighs over a certain weight, I collect a certain amount of money for it whether it weighs 50,000 or only 20,000, and they receive a bonus for that.

There are numerous other things in the contract which is not part of your regular contract.

Senator MUNDT. Well, I don't see much wrong with that, except I do share the chairman's feeling that in this whole business of labor-management relations, it would seem to me that "John American" who works, is just as much entitled to know what is in the contract as "John American" who employs him. It shouldn't be some union man standing in between him and the information. I don't know whose job it is to get it to him, and I don't know whether you are responsible for the fact that Mr. O'Rourke doesn't know whether he has a union pension or not, but it would seem to me if my name were O'Rourke, I would want to know.

I would have a right to know, it seems to me, and it would in a way govern my insurance program for my family and everything else.

Why do you think these men are not advised, and what is the reason that they don't know? You haven't so many of them. You only have 35 employees or something like that, and it isn't like a big factory.

Mr. BRESLAU. I can't answer that. I believe it would be up to the union to notify these men, and they have regular meetings and so on.

Senator MUNDT. You don't know that they don't know, and you don't know whether they don't or not?

Mr. BRESLAU. That is right.

Senator MUNDT. Who is the head of your union, Mr. Block?

Mr. BRESLAU. Mr. Max Block.

Senator MUNDT. Is there somebody a head of a local union, besides Mr. Block, or is Mr. Block the only one?

Mr. BRESLAU. He is the head of the local 640. That is the one we negotiate with.

Senator MUNDT. There isn't any head of the particular group that work for you, of these 28 or 30 employees?

Mr. BRESLAU. No, sir.

Senator MUNDT. They have no head?

Mr. BRESLAU. No.

Senator MUNDT. None of them ever told you whether they know what is in the contract or not?

Mr. BRESLAU. No.

The CHAIRMAN. Is there anything further?

Mr. KENNEDY. Have you given any gratuities to any of your business agents?

Mr. BRESLAU. No, I have not.

Mr. KENNEDY. You never have?

Mr. BRESLAU. No.

Mr. KENNEDY. Have you ever given any money to Max or Louis Block?

Mr. BRESLAU. No, I have not.

Mr. KENNEDY. The only transactions you have had with them are the ones in connection with the country club?

Mr. BRESLAU. That is correct.

Senator MUNDT. I have one other question. What was it really that impelled you to join the country club?

Mr. BRESLAU. Well, I had been looking for a club, and actually I have never belonged to a golf club out in the neck of the woods where I live, and on the island and the initiation fees run from \$3,000 to \$5,000, and this was the only club where I knew of where there was no negotiation fee, and that was one of the attractions.

Senator MUNDT. You joined the club because it looked to you like a good club to belong to, and it would cost you less than belonging to some other club?

Mr. BRESLAU. Yes, sir; plus the fact that I do meet a lot of meat people there. The only business I am in is service, and it is a good place to make contacts.

Senator MUNDT. How far is the club from where you live?

Mr. BRESLAU. One hour.

Mr. MUNDT. Mr. Block came around and he made his sales pitch to you to join the club, and you have to buy a membership for \$5,000 before you can join the club?

Mr. BRESLAU. No, sir; he did not.

Senator MUNDT. The \$5,000 is an investment in the club?

Mr. BRESLAU. It is not an investment in the club. It is debentures on bonds, and you can interpret it as an investment in the club, and I have been receiving my interest and payments on it.

Senator MUNDT. You have been?

Mr. BRESLAU. That is correct.

Senator MUNDT. At what rate?

Mr. BRESLAU. Between 3 and 6 percent, and I am not sure which.

Senator MUNDT. But what you bought were bonds?

Mr. BRESLAU. Yes, sir.

Senator MUNDT. And that didn't mean you had to join the club?

Mr. BRESLAU. I was not a member of the club when I bought the bonds.

Senator MUNDT. In his sales pitch to you, did he solicit your membership in the club, too?

Mr. BRESLAU. No, he did not.

Senator MUNDT. That you joined yourself?

Mr. BRESLAU. Yes, sir.

Senator MUNDT. What did he say about the bond, that it was the best investment in town, and a place to put your money?

Mr. BRESLAU. He asked me to buy \$5,000 of debentures and I thought it was a good investment, and I did.

Senator MUNDT. They have an established market value today?

Mr. BRESLAU. I believe I can get my money back.

Senator MUNDT. You think that you could?

Mr. BRESLAU. Yes, sir.

The CHAIRMAN. All right.

Call the next witness.

Mr. KENNEDY. Mr. Thomas McTague, and John Branca.

The CHAIRMAN. All right, gentlemen, will you be sworn.

Do you and each of you solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God.

Mr. BRANCA. I do.

Mr. McTAGUE. I do.

TESTIMONY OF JOHN BRANCA AND THOMAS McTAGUE

The CHAIRMAN. Beginning on my left, give your name, and your place of resident, and your business or occupation.

Mr. BRANCA. John Branca, 68 Fleetwood Drive, Hazlett, N. J., chauffeur for the Strassburger Co.

Mr. McTAGUE. Thomas McTague, 315 East 77th Street, New York City, meat loader.

The CHAIRMAN. Do you waive counsel?

Mr. BRANCA. Yes.

Mr. McTAGUE. Yes.

Mr. KENNEDY. Mr. Branca, did you use to work for Harry Breslau, Breslau Packing & Unloading Co.?

Mr. BRANCA. I did. I worked for him for a year and a half and I was his foreman.

Mr. KENNEDY. You were his foreman?

Mr. BRANCA. Yes, sir.

Mr. KENNEDY. You work there now, is that right, Mr. McTague?

Mr. McTAGUE. Yes, sir.

Mr. KENNEDY. How long have you been working there?

Mr. McTAGUE. 34 years.

Mr. KENNEDY. What is a meat lugger?

Mr. McTAGUE. A meat loader is a man who loads meats out of a car.

Mr. KENNEDY. Is the work you do for Mr. Breslau, is that different from the work that is done for other companies, and is that a different kind of an operation?

Mr. McTAGUE. Yes, it is much the same operation, but it is heavier work, and the other people do it on a smaller scale, but it is in smaller portions and it is cut up.

Mr. KENNEDY. Mr. Branca, were the hours you and the other employees were working, longer and more difficult than hours you would work at other companies?

Mr. BRANCA. Much longer and very much underpaid.

Mr. KENNEDY. They are very much underpaid at this company?

Mr. BRANCA. Yes, sir.

Mr. KENNEDY. How do you mean that? What hours do you work as an example?

Mr. BRANCA. Well, on Sunday you would come in at 7 o'clock.

Mr. KENNEDY. At night?

Mr. BRANCA. At night, and you work until about 1 or 2 in the afternoon the following day.

Mr. KENNEDY. You work about 18 hours?

Mr. BRANCA. On a Sunday?

Mr. KENNEDY. Yes, over to Monday?

Mr. BRANCA. Yes, sir.

Mr. KENNEDY. Then Monday would you work again?

Mr. BRANCA. You work Monday about 13 hours, 12 to 13 hours, yes, sir.

Mr. KENNEDY. And then Tuesday?

Mr. BRANCA. About the same amount.

Mr. KENNEDY. And then Wednesday?

Mr. BRANCA. Come down to about 10.

Mr. KENNEDY. And then Thursday it would be less?

Mr. BRANCA. It would be much less, considerably less.

Mr. KENNEDY. How many hours gross, gross hours would you work during the week, about 50?

Mr. BRANCA. 58 hours.

Mr. KENNEDY. And you would be working on a piece rate basis?

Mr. BRANCA. Yes, sir.

Mr. KENNEDY. Was there ever an effort to get better rates?

Mr. BRANCA. Yes, that is the time me and McTague, we tried to get Louis Block to put us on wages, and we had a general meeting.

Mr. KENNEDY. You mean hourly wages?

Mr. BRANCA. Hourly wages.

Mr. KENNEDY. Now you were making while you were working there some \$7,000 a year, were you not?

Mr. BRANCA. It is true. But we wanted \$90 a week, plus double time on Sunday, and 10 percent night work, and time and a half after 8 hours.

Mr. KENNEDY. Is that what the other companies are getting?

Mr. BRANCA. That is what every other lugger in the house is getting.

Mr. KENNEDY. All of the other luggers are getting it on a straight hourly salary?

Mr. BRANCA. Yes, sir.

(At this point, the following members are present: Senators McClellan, and Church and Mundt.)

Mr. KENNEDY. You were the only people that were not?

Mr. BRANCA. That is right.

Mr. KENNEDY. You approached Louis Block to try to get this changed?

Mr. BRANCA. That is right.

Mr. KENNEDY. Max or Louis Block?

Mr. BRANCA. Max Block.

Mr. KENNEDY. What did he say?

Mr. BRANCA. At that time, the contract was just signed in March, and we did not agree with the contract.

Mr. KENNEDY. Did he submit the contract to you for ratification?

Mr. BRANCA. No. We didn't even think that was our contract. We were told we had a different contract, that we were supposed to have a separate contract from the housemen.

Mr. KENNEDY. Did you ever see your contract?

Mr. BRANCA. No.

Mr. KENNEDY. Did you ever see your contract?

Mr. McTAGUE. No, sir.

Mr. KENNEDY. Was the contract ever submitted to any of the employees of the company?

Mr. BRANCA. No, sir.

Mr. McTAGUE. I don't know, sir. I don't know if it was ever seen.

Mr. KENNEDY. Would you continue after you tried to get a change?

Mr. BRANCA. We tried to get a change and we had all the men up there and Max Block was there with Harry Lippel.

I approached Max and I told him "Did Mr. Breslau approach you about the contract?" And he says "I don't even know the man. I never saw the man."

He says, "Oh, yes, during the time of the contract, he bought me a cup of coffee." That was his exact words.

Mr. KENNEDY. He said he never saw the man?

Mr. BRANCA. He says he does not even know the man.

Mr. KENNEDY. Max Block told you that?

Mr. BRANCA. Yes.

Mr. KENNEDY. When was this meeting that you had with him?

Mr. BRANCA. Right after the contract of 1956, March, that date, when we were told about the contract.

Mr. KENNEDY. Did you know Mr. Breslau had already made a large investment in Mr. Block's country club?

Mr. BRANCA. I don't know nothing about that.

Mr. KENNEDY. And that he was a member of Mr. Block's country club?

Mr. BRANCA. I did not know that.

Mr. KENNEDY. He said he did not know him?

Mr. BRANCA. That is right.

Mr. KENNEDY. But had just seen him once and had a cup of coffee?

Mr. BRANCA. That is right.

Mr. KENNEDY. Did you discuss about getting on an hourly rate?

Mr. BRANCA. Yes, we did, and he came out with this yellow piece of paper and he wrote down our salary which was about \$150 a week for

the past 3 months. I questioned him "How come you know our salary, you have a breakdown of our salary, when you don't even know Harry Breslau?"

He started to stutter and he passed the buck to Harry Lippel and then the subject was dropped. Then he told us to go back. He appointed me, McTague, and another fellow by the name of Dave McMillan, as committeemen, and tried to, you know, think it over among the men, give us a couple of weeks and we would have another meeting. So I tried to get back after a few weeks. I called up Lippel. And Max Block's mother-in-law, I believe, died, and he was out on the time that she was dead. Then he went to Chicago and that was the last I heard of it and I got fed up and I quit.

Mr. KENNEDY. When was this original meeting with him?

Mr. BRANCA. About April.

Mr. KENNEDY. Of what year?

Mr. BRANCA. About 1957.

Mr. KENNEDY. So you have been trying to get a meeting for over a year and you have not been able to get one?

Mr. BRANCA. Not over a year. This is about 2 months. I am not too clear about what year it was. I think it was 1957.

Mr. KENNEDY. But you were never able to get him?

Mr. BRANCA. No, I could not get him.

Mr. KENNEDY. Were you able to get him to attend another meeting?

Mr. McTAGUE. No, sir.

Mr. KENNEDY. Did you contact him to get another meeting?

Mr. McTAGUE. Yes, sir. We tried to make arrangements several times, but there was always something wrong. He was in Chicago or out in the West.

Mr. KENNEDY. He was always out of town and you could not meet him?

Mr. McTAGUE. Never could get him.

Mr. KENNEDY. You never could get a meeting arranged on the hourly wage?

Mr. McTAGUE. We never could get a meeting arranged to discuss it on any basis.

Mr. KENNEDY. Did you know that the employer was not paying the \$2 per employee into the pension fund?

Mr. McTAGUE. No, I did not know anything about that.

Mr. KENNEDY. Did you know about that?

Mr. BRANCA. No; I thought I had a pension plan.

Mr. KENNEDY. You thought you had a pension plan?

Mr. BRANCA. Definitely.

Mr. KENNEDY. Did you think you had a pension plan?

Mr. McTAGUE. Yes, sir; I thought I had a pension plan.

Mr. KENNEDY. You did not know until you heard the testimony today that you did not?

Mr. McTAGUE. No; I did not know.

Mr. KENNEDY. Did all the other employees think they were covered by the pension, so far as you know?

Mr. McTAGUE. As far as I know they think they are covered by a pension plan.

Mr. KENNEDY. You were never informed that he was not paying the pension?

Mr. McTAGUE. No, sir.

Mr. KENNEDY. How big are these pieces of meat that you pick up?

Mr. BRANCA. Well, they range from 180 to 300 pounds.

Mr. KENNEDY. And you have to pick those up?

Mr. BRANCA. You pick them up and run them out of the car. The faster you get it out, the faster you get the car out and the more money you make. If you slip and break your neck, that is your tough luck. You are out of the job, and you go to the hospital and not compensated for the cars that you miss. When I got six stitches, I lost that day's pay. There are no special benefits that Mr. Breslau says that he pays you—extra benefits. That I don't know about.

Mr. KENNEDY. You don't know about any special benefits that you are getting?

Mr. BRANCA. Well, the extra car money. That is no benefit. That is doing another man's work. I would not call that a benefit. Would you?

Mr. KENNEDY. Do you mean because you have to do that much extra work?

Mr. BRANCA. You have to do that much extra work and it is that much harder.

Mr. KENNEDY. And the hours are the same?

Mr. BRANCA. The hours are the same. It is a terrific job. It drags. It is hard on you. You have 6 men where you are supposed to have 7.

The CHAIRMAN. In other words, where you have 10 tons of beef to unload, and 5 of you are supposed to do it, if 1 is away, the 4 of you do it.

Mr. BRANCA. It is 4, not 5.

The CHAIRMAN. Well whatever the number. Four of you are supposed to unload it and if 1 is ill the other 3 have to do his work?

Mr. BRANCA. That is correct.

The CHAIRMAN. And you just get paid for the amount of the car?

Mr. BRANCA. And plus that man that is out, we get his pay.

The CHAIRMAN. I thought you were paid by the piece.

Mr. BRANCA. Well, yes, by the piece.

The CHAIRMAN. Well, you don't get his pay. You get paid for the car. He is not there to work, so he earns no pay. You earn what you get by unloading it.

Mr. BRANCA. That is right.

The CHAIRMAN. In other words, if he had been there, he would have gotten one-fourth of the price paid for unloading the truck.

Mr. BRANCA. Right.

The CHAIRMAN. But he was not there, so you had to unload it, and the three of you get his part.

Mr. BRANCA. Correct.

The CHAIRMAN. It costs the company no more?

Mr. BRANCA. Right.

The CHAIRMAN. So they are not out any more if there had been 4 there or 2 there, it is all the same?

Mr. BRANCA. That is right.

Senator MUNDT. Mr. Branca, how much did you earn a year when you were working for Mr. Breslau?

Mr. BRANCA. \$7,000.

Senator MUNDT. How much?

Mr. BRANCA. \$7,000.

Senator MUNDT. Were you called a meat lugger?

Mr. BRANCA. Right.

Senator MUNDT. Where are you employed now? Are you still there?

Mr. BRANCA. No; I am a truckdriver, for Frank Streisberger, 153d Street.

Senator MUNDT. Are you a member of the Teamsters?

Mr. BRANCA. No, 640, Max Block.

Senator MUNDT. The same union?

Mr. BRANCA. Right.

Senator MUNDT. What do you make now?

Mr. BRANCA. I make \$99 a week.

Senator MUNDT. I mean by the year.

Mr. BRANCA. By the year, the same amount.

Senator MUNDT. \$7,000?

Mr. BRANCA. Close to it.

Senator MUNDT. Mr. McTague, how much do you make a year?

Mr. McTAGUE. \$7,000 I made last year, over six the year before.

Senator MUNDT. You are a meat lugger, too?

Mr. BRANCA. Yes, sir.

Senator MUNDT. The same kind of work?

Mr. BRANCA. Yes, sir.

Senator MUNDT. The same kind of work?

Mr. BRANCA. Yes, sir.

Senator MUNDT. How much would you have made had you gotten this other contract that you were talking about, of \$5 a week and double time and 10 percent and all the other things?

Mr. BRANCA. If we got paid for double time for Sunday and 10 percent for night work, I think we would earn more, and the hours we put in. I mean get paid for the hours of overtime.

Senator MUNDT. How much would you have made, do you know?

Did you ever figure it out?

Did you figure it out? You were in the negotiating, Mr. Branca, how much would that amount to? Ninety dollars a week would be \$4,680 a year.

Mr. BRANCA. It came to \$2.25 an hour, and 5 hours at double time that is—

Senator MUNDT. That is \$11.25.

Mr. BRANCA. At double time. Then you got from, actually, 8 o'clock in the morning until 12 o'clock in the afternoon, and that is another 6 hours. That is at time and a half, at \$2.25. It comes to quite a bit more and you don't have to kill yourself. That is what we were mainly interested in, the welfare of the men, not to run out and hurt a man or strain yourself so that when you got home you could not get out of bed, you were so sore, and your body was sore, if you got a headache you had to vomit all day. It was a hard job.

Senator MUNDT. No other packing company or transfer company or whatever you call this operates on piecework except this one?

Mr. BRANCA. That is the only one I know of.

Senator MUNDT. You would rather work by the hour than by the piece?

Mr. BRANCA. True.

Senator MUNDT. All right.

The CHAIRMAN. Is there anything further?

If not, thank you very much.

Mr. KENNEDY. One moment, please. I have just one more short point. When you left the employment of Breslau, you went to work for another employer, the Casey Meat Co.?

Mr. BRANCA. That is right.

Mr. KENNEDY. Were you let go from there?

Mr. BRANCA. At the time we left, I left with two other guys, my kid brother and another fellow by the name of Owen Curran. Owen got a work card and he went to work in Liberty Packing, right around the corner from Breslau. I went and asked Mr. Casey if he was a member of the association and he said he wasn't. I asked if he needed a man and he said "Yes," being that this Barry Geisler quit.

So I went to work for him.

Then 3 days later I was told that I wasn't needed, my services wasn't needed. That they liked me but they could not use me. This guy Owen Curran at the same time was also let go. We went to the union hall and spoke to Lippel about it, and he said the union had nothing to do with it. So we said, "Well, we are going back down to the market and solicit for a job ourselves, with or without a union card."

Then we went down to the market. I seen Mr. Breslau. He had a big smile on his face. I walked away and I bumped into Frank, the delegate, he gave Owen a job up in the Harlem market and I got a job in the Bronx.

Mr. KENNEDY. Did you think you were let go for this reason?

Mr. BRANCA. Well, the boss said he did not fire me of for any reason, that I was all right, he did not want to let me go, but it was the union's idea.

Mr. Casey said that.

Mr. KENNEDY. He told you that?

Mr. BRANCA. That is right. And the union denied it.

Mr. KENNEDY. Did you have to go to the union in order to get a job.

Mr. BRANCA. Well, that is the first I heard of it, because men come right off the street and worked for Harry Breslau without any work card. But I did not see why there should be any difference. That was nonunion men. I don't see no difference why a union man can't go into a union shop and look for a job, as long as he is a member of that union.

Mr. KENNEDY. Were there some nonunion men working at Breslau's?

Mr. BRANCA. Definitely.

Mr. KENNEDY. They weren't members of the union?

Mr. BRANCA. They weren't members of the union at all.

Mr. KENNEDY. And you left the employment of Breslau because of the fact of the way he was treating his people there?

Mr. BRANCA. That is right.

Mr. KENNEDY. And the union was not doing anything about it to improve the conditions?

Mr. BRANCA. That is all.

The CHAIRMAN. All right. Thank you very much.

Call the next witness.

Senator CHURCH. Mr. Chairman?

The CHAIRMAN. Senator Church.

Senator CHURCH. Mr. Chairman, we are concluding these hearings that I have listened to with a great deal of interest this last week, and we are taking up some other matters next week. I just want to say in the way of a brief recapitulation, Mr. Chairman, that we seem to have found there is a thread running through all of this testimony. There are many different phases on the same bad coin. That bad coin, it seems to me, as, in most every case, involved a collusive agreement or a sweetheart contract between jaded or unscrupulous management on the one hand and a corrupt union local on the other.

I hope that as a result of these disclosures that, for one thing, the International Meat Cutters Union will take appropriate remedial action, and I hope for another that the Congress will give further study to at least two appropriate subjects for possible Federal legislation.

First, Congress ought to give further study to the question of the propriety of requiring, as a matter of Federal law, that contracts between labor unions and management involving the hours and working conditions of employees be accurate and complete and open, so that the employees themselves are fully and completely apprised of the conditions that govern their employment.

Secondly, I think that these hearings disclose another fruitful avenue of inquiry for the Congress. That is further study on the question of requiring that a full disclosure be made to the union membership, and that the union membership be given the opportunity to ratify a contract before it has a binding effect upon them. I just want to say, Mr. Chairman, that I, too, would like to congratulate the members of the staff for the thorough job that they have done in investigating these matters. I also want to commend the witnesses who have come before this committee during the past week, and who cooperated to make these disclosures public.

I think they deserve a great deal of credit, for without the kind of courage and integrity that they show, it would not be possible for this committee to accomplish beneficial results.

The CHAIRMAN. The Chair wishes to thank Senator Church for his observation with respect to legislation that is probably needed. He has not been a member of this select committee as long as I have, and I came to the same conclusions quite some time ago, and have introduced legislation to require a contract to be approved by the membership before it goes into effect, and also to require full disclosure, and for each member to have a copy of the contract. We have to legislate so as to preclude and prohibit, insofar as it is possible to do so, by law, secret agreements that involve the welfare and destiny of working people in this country, where their rights are involved, where benefits are or may not be provided for them, and where they do not know we have to try to compel disclosure so that the rank and file member may know whether he was bargained off in a contract for his labor, and so that he may know what the terms of that contract are.

Do you have any statement, Senator Mundt?

Senator MUNDT. I would like to add that I concur completely with the observation of my two colleagues. As the chairman said, he has

introduced a bill to deal with this problem. I have introduced a slightly different approach to the problem. But we agree completely that it is a problem that must be met legislatively, because union members, the rank and file member of a union, be he a man or be she a woman, whose destiny and economic future is wrapped up in his job, that he gets in conjunction with the union, certainly should have a right to know whether he has a pension fund, and if he has a pension fund he should be entitled to the same kind of protection, in my opinion, and the same degree of governmental safeguards, that he would get if, instead of depositing his money under compulsion in a union pension fund, he had voluntarily deposited his money in a savings account in a national bank. When you put it into a bank, the Government is very scrupulous about seeing that the banker does not steal his money.

But if he does it under compulsion into a union fund, nobody polices the fund, and no protection is given to him by the Government to be sure that he is not defrauded by the union chief instead of the banker.

It seems to me that it is a deplorable situation, and that Congress should, before it adjourns this year, deal with it by proper legislation, as it should deal with these other disclosures which have come out of the hearings and which are continuing to come out.

The CHAIRMAN. Thank you. Before we recess, the Chair will announce that we are having a little problem with a witness whose records we have subpoenaed, the records of his company.

I am announcing this primarily for the benefit of the members. We have a witness, Mr. Ernest M. High, of the Spotlight Publications in New York, who is giving the committee a little problem. We have tried to subpoena his records and he will not deliver the records, and will not cooperate at all. When we ordered him down here, he says he is sick, but we find him on duty at his office working pretty well.

The Chair is going to order the witness here Monday morning, to produce his records.

Senator MUNDT. Very good.

The CHAIRMAN. I am not going to permit him to impose on the committee if I can prevent it. I have a little suspicion that is what he is undertaking to do. I wanted to make that announcement.

He will be ordered to be here by telegram on Monday morning at 10:30.

The committee will stand in recess until that time.

(Whereupon, at 4 p. m., the hearing was recessed, to reconvene at 10:30 a. m. Monday, May 26, 1958. At this point, the following members were present: Senators McClellan, Church, and Mundt.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

MONDAY, MAY 26, 1958

UNITED STATES SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES
IN THE LABOR OR MANAGEMENT FIELD,
Washington, D. C.

The select committee met at 10:30 a. m., pursuant to Senate Resolution 221, agreed to January 29, 1958, in the caucus room, Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

Present: Senator John L. McClellan, Democrat, Arkansas; Senator Barry Goldwater, Republican, Arizona; Senator Sam Ervin, Democrat, North Carolina; Senator Carl T. Curtis, Republican, Nebraska.

Also present: Robert F. Kennedy, chief counsel; Walter R. May, investigator; George H. Martin, investigator; John Cye Cheasty, investigator; Ruth Young Watt, chief clerk.

(At the start of the session, the following members were present: Senators McClellan and Curtis.)

The CHAIRMAN. The committee will come to order. Mr. Counsel, call the next witness.

Mr. KENNEDY. Mr. Daniel Beatson.

Prior to his coming, Mr. Chairman, we expected to have as our first witness a Mr. Max Singer, but Mr. Max Singer evidently took sick this morning. He was in Washington, but took sick last night. His lawyer reported he was unable to appear. He went back to New York this morning. He got something wrong with his stomach, so he has gone back to New York. He was supposed to be our first witness. His attorney is here, if you want to call him forward, but that is the report he gave to us. Mr. Kaminsky.

The CHAIRMAN. Mr. Kaminsky, will you give us a report for the record on your client?

Mr. KAMINSKY. Yes, sir.

The CHAIRMAN. What information do you have that you think should be made a matter of record?

Mr. KAMINSKY. I met Mr. Singer yesterday at about 9 p. m., after my dinner. I had been informed by him that he had arrived in Washington in the company of another witness, Mr. Joe Suffa, some time in the midafternoon. After I met him about 9 o'clock, we were in the hotel suite at the Willard Hotel. About 11 p. m. Mr. Singer had ordered some refreshments from room service, including a sandwich for himself and some coffee for me. About 11:15 or 11:30

the refreshments arrived at the room, and I saw that Mr. Singer was not partaking. I said "What is the matter? You ordered a sandwich, why don't you take it?" He said he had a very acute pain in the kidney region, and I asked him whether this was something that he had ever experienced before, and he gave me a considerable history about it. I shall be glad to tell the committee about it. It seems that for some years, several years, more than 2 years, at least, he has suffered from kidney stone pains. He is a resident of Great Neck, Long Island. His family physician, or at least the physician that has taken care of this chronic condition for a number of years, is Dr. Joseph Hoffman, whose address is Queens County, N. Y., is Fresh Meadows and 68th Avenue.

As a result of an acute attack, he had been in the Long Island Jewish Hospital, in New Hyde Park, N. Y., in March of 1957, for a period of 2 weeks, at which time he underwent cystoscopy in order to alleviate the pain from stones. Last night at about a quarter to 12, that is, just before midnight, one of the men in the party inquired from the hotel whether a doctor could be obtained.

A Dr. McCann, of Washington, D. C., arrived at 1 a. m. I do not have his full name, but I gave Mr. Kopecky one of his prescription blanks, which contains his full name, address, and telephone number. I was present this morning at 1 a. m. when Dr. McCann examined Mr. Singer. This was in my room, on a bed, and I saw Dr. McCann give him an intravenous injection, and I saw him hand several capsules which Dr. McCann said are demarol capsules. In addition to that, Dr. McCann filled out a prescription for additional demarols and gave me advice to the effect that if I wanted them filled during the night, that there was a drugstore open all night at 14th and M.

The CHAIRMAN. The point is he has returned to New York?

Mr. KAMINSKY. He returned to New York this morning. I heard him talk to his doctor over the telephone, that is, his family doctor back in New York. As far as my view is concerned, I am not testifying here as a medical expert, but my own impression is that he was in grave pain. He was unable to sit, he was unable to lie. This morning, early this morning at about 8 o'clock, he seemed to be rather doped up, possibly from the sedatives that had been taken by him. The prescription was filled this morning between 8 and 9:30 a. m., at the National Press Club Drugstore, that is, Dr. McCann's prescription. He told me he was going home right to his doctor.

The CHAIRMAN. Will you get in touch with him and keep the committee advised? We would like to have his testimony during this series of hearings if it is possible to do so.

Mr. KAMINSKY. I will be glad to do so.

The CHAIRMAN. Of course, we do not want to impose on people who are uncomfortable by reason of illness, and they are not able to appear. We want to show proper consideration. But his testimony is important and we would like to have it as soon as we can. We would be glad to have you keep in touch with him and keep the committee advised within the next day or 2 of his condition.

Mr. KAMINSKY. I shall do so.

The CHAIRMAN. Thank you very much.

Mr. KENNEDY. Mr. Chairman, this is the fourth witness who would have had to appear before the committee, or whose testimony we re-

quested. Harold Lippel—are you representing him, Harold Lippel?

Mr. KAMINSKY. No. As a matter of fact, I don't know him and never met him personally.

Mr. KENNEDY. He is the secretary-treasurer of local 640, and the brother-in-law of Louis Block. He went to the hospital, as I understand, within the last several weeks.

Mr. KAMINSKY. The only information I have about him is hearsay, but I will be glad to repeat it. I am informed that this man has suffered from a cardiac condition for some length of time, the duration of which I do not know; that for the past week, at least, or maybe a little longer, he has been a patient at the Parkeast Hospital in Manhattan, and that his attending physician is a Doctor Moskowitz.

That is all I know about him.

Mr. KENNEDY. He is one of those, and Max Singer. And then Arnold Cohen, who is the attorney for the union, I understand now that—well, we wished to have his testimony—he has also gone to the hospital.

Mr. KAMINSKY. All I have been told about him, and I have never met him, but I was told by people who met him last week that he had more or less broken down from exhaustion, from physical exhaustion. That is all I know about him.

Mr. KENNEDY. The fourth witness is Charles Murphy.

Mr. KAMINSKY. Charles Murphy is my new partner. I have been associated with him for about 9 months.

Eight months previous to the formation of the partnership, and I know of my own knowledge that in the past 9 months Murphy has had to go short notice to Miami Beach, where his mother has been a permanent resident. To the best of my information, although I am not completely certain about it, she suffers from cancer. There have been grave relapses in her condition which compelled him to make these sudden trips, at least 4 or 5 to the best of my recollection in the past 8 or 9 months. I know also that he brought her up to New York about 6 months ago for treatment and observation at New York Hospital in Manhattan. Murphy and I were on our way to Washington last Tuesday night, on May 20. We met at LaGuardia Airport at about a quarter to 11, and were set to take an 11:30 p. m. Capital Airlines plane for Washington. He called home and was told that there was a rather frantic call from his sister, who lives with his mother, apparently, in Miami.

He canceled his Washington ticket at the Capital Airlines and made arrangements to fly to Miami Beach that night.

I spoke to him on the telephone about twice since then.

The CHAIRMAN. How long ago was it that he made this trip?

Mr. KAMINSKY. He left Tuesday evening, May 20.

The CHAIRMAN. Mr. Counsel, keep in touch with these situations. We do not want to insist upon one appearing here as a witness if they are not able to, or if there is any real, legitimate excuse for delay. Of course, we will always conform to whatever the proprieties of the situation dictate. But on the other hand we will not be happy if someone tries to impose on the committee. Keep in touch with the situation, and, Mr. Attorney, you keep us advised as much as you can, particularly with those whom you now represent.

Mr. KAMINSKY. I shall do so.

The CHAIRMAN. Thank you. Call your witness.

Mr. KENNEDY. Mr. Beatson.

The CHAIRMAN. You have been previously sworn?

Mr. BEATSON. Yes.

The CHAIRMAN. You remain under the same oath.

TESTIMONY OF DANIEL BEATSON—Resumed

Mr. KENNEDY. Mr. Beatson, will you tell us when you first became associated with the Butchers and Meat Cutters?

Mr. BEATSON. Originally I became a member in June of 1950, during an organizational drive in the A. & P. meat department on Long Island.

Mr. KENNEDY. And you were just a member at that time?

Mr. BEATSON. That is right. Right after that I was elected to the executive board of local 342.

Mr. KENNEDY. Did you have any opposition at that time?

Mr. BEATSON. No, because the election was conducted among the organizing committee, and they elected. There was 5 or 6 running at the time, but it was not an open election.

Mr. KENNEDY. They are the ones that selected you? You were elected?

Mr. BEATSON. To the executive board.

Mr. KENNEDY. Had you known Max or Louis Block prior to that time?

Mr. BEATSON. No.

Mr. KENNEDY. How were you selected to run?

Mr. BEATSON. This was an appointment, actually an appointment to the executive board, but at the request of the committee. They had a small election among the committee. It was a nonpaying position.

Mr. KENNEDY. Did you take an active role in the affairs of the Meat Cutters at a later time?

Mr. BEATSON. Yes. In the latter part of October 1952, I was called to the union office.

Mr. KENNEDY. By whom?

Mr. BEATSON. By William Casale.

Mr. KENNEDY. What instructions were given to you?

Mr. BEATSON. They were having some sort of organizational drive in the A. & P. And they asked me to assist and go into the A. & P. stores in Brooklyn and get the membership application filled out.

Mr. KENNEDY. Did you do that?

Mr. BEATSON. I did.

Mr. KENNEDY. Do you know when you went in there, to Brooklyn, to help with this?

Mr. BEATSON. I believe it was about October 16.

Mr. KENNEDY. Was this after they had announced the fact that the contract had been signed, which was October 17? Was it before or after?

Mr. BEATSON. I believe when I first went in I didn't know that there was a contract signed in the A. & P. The first I heard about it was the A. & P. put a notice up on the bulletin boards at the stores and told the employees of the company that they were in the union. That was the first I had heard of it.

Mr. KENNEDY. Had you known while you were getting these signed that there was going to be a contract signed and there was going to be a card count?

Mr. BEATSON. No.

Mr. KENNEDY. Did you do any work for the union after that, after going in and helping or assisting getting these cards?

Mr. BEATSON. I was a butcher on Long Island at the time, and I assisted for about a week. I went back to my position in the Hill Super Market on Long Island, and a week or so later I was called back to assist again in the card count, in obtaining cards.

Mr. KENNEDY. And this time there was no opposition by the company, was there?

Mr. BEATSON. No, definitely not.

Mr. KENNEDY. You worked on that for about what, another period or a short period?

Mr. BEATSON. Another few weeks.

Mr. KENNEDY. Then did you go to work for the union itself?

Mr. BEATSON. That is right.

Mr. KENNEDY. As what?

Mr. BEATSON. As a business agent in the Garden City area of the A. & P. Co.

Mr. KENNEDY. How did that come about?

Mr. BEATSON. I was asked to come to work for the union as a business agent and I accepted.

Mr. KENNEDY. That was in the A. & P. stores in Garden City?

Mr. BEATSON. That is right.

Mr. KENNEDY. Was the contract that was signed on October 11 ever submitted for ratification to any of the people that worked for you?

Mr. BEATSON. No.

Mr. KENNEDY. It was not?

Mr. BEATSON. No.

Mr. KENNEDY. Following that, did you ever see any of those phony cards, these fictitious cards, filled out in the stores?

Mr. BEATSON. In the A. & P.?

Mr. KENNEDY. Did you see it in the A. & P. stores first?

Mr. BEATSON. No.

Mr. KENNEDY. Did you see it in any other cases?

Mr. BEATSON. Yes. I walked in the office one afternoon, I believe, and 342 had their office in Jamaica at the time, and William Casale was sitting at a desk. I said "What are you doing?"

He said "I am making out applications for King Kullen." I asked him at the time "How in the world can you make them out with the signatures and everything?"

And he said "Oh, I am an old hand at this. I write with one hand and with the other hand."

Mr. KENNEDY. And he was filling out cards himself?

Mr. BEATSON. Yes. He was quite adept at it.

Mr. KENNEDY. Were there other people in the headquarters filling out cards?

Mr. BEATSON. I believe there were. But he called my attention to it.

Mr. KENNEDY. But you do remember specifically that he was doing it?

Mr. BEATSON. That is right.

Mr. KENNEDY. And this was in King Kullen?

Mr. BEATSON. And Kollner; yes, sir.

Mr. KENNEDY. During this period of time, did you also work over in New Jersey in the A. & P. stores?

Mr. BEATSON. Yes. I believe that was in November of 1952.

Mr. KENNEDY. What did you do on that?

Mr. BEATSON. I got a call one night to proceed to Newark and have a meeting in the local office in Newark, and Mr. Kaplan was president. I believe the number is 464. We were assigned territories to go out and secure applications from the employees in the store. The first day I went out with Mr. Grossman, a business agent of 342. We went out as a team.

Mr. KENNEDY. What was the attitude of the company toward your arrival?

Mr. BEATSON. Our instructions were, when we appeared in the store, to identify ourselves to the manager, and that he would handle the situation of getting the clerks together in the back room or the basement, wherever the space was available.

Mr. KENNEDY. Is that what happened?

Mr. BEATSON. Yes.

Mr. KENNEDY. Who gave you those instructions?

Mr. BEATSON. Mr. Kaplan.

Mr. KENNEDY. And that in fact happened when you got over to the New Jersey stores?

Mr. BEATSON. Yes.

Mr. KENNEDY. They gave you space to work in?

Mr. BEATSON. Yes.

Mr. KENNEDY. And then the employees were sent back to sign cards?

Mr. BEATSON. Yes, sir.

Mr. KENNEDY. Subsequently, did you go out to New Jersey a number of times?

Mr. BEATSON. No. Two days.

Mr. KENNEDY. Did you have any difficulty then signing them up?

Mr. BEATSON. None whatsoever.

Mr. KENNEDY. Then you were elected as a business agent?

Mr. BEATSON. That is right.

Mr. KENNEDY. How did it happen you were elected as a business agent?

Mr. BEATSON. I believe it was in November of 1952, between Christmas and New Year's, we were told that there was going to be a meeting. The meeting was around the 28th of December, and they sent the notice out to the members of the local that there would be a meeting the following day.

The notice said that the agenda would consist of new business, old business, and a financial report.

Mr. KENNEDY. Was there any notification that there was going to be an election?

Mr. BEATSON. No.

Mr. KENNEDY. There was not?

Mr. BEATSON. In fact, many of the members did not receive the notice until after the meeting was over.

Mr. KENNEDY. Was there an election?

Mr. BEATSON. Yes; there was.

Mr. KENNEDY. Would you tell how you came to be elected business agent? Did you know you were going to be?

Mr. BEATSON. No; I did not know there was going to be an election at this meeting.

It was held at Lost Battalion Hall in Queens, and I heard Mr. Block telling some of the older business agents there at the time to make sure that they had certain members at the meeting.

I believe that when it came to the nominations of officers, I believe that the member that made the nomination was Jack Schwartz, the butcher at the Black Angus Restaurant in New York.

Mr. KENNEDY. That is the restaurant that is owned by Mr. Block?

Mr. BEATSON. That is right. I did not know at the time. I knew his name. I just knew his name.

Mr. KENNEDY. What officers were elected, besides you as a business agent?

Mr. BEATSON. All of the officials of the union. I believe there were about 18 at the time.

The CHAIRMAN. Do I understand you to say that they gave out notice of a meeting at which they were going to transact old business, new business, and financial reports?

Mr. BEATSON. That is true.

The CHAIRMAN. When you got there, you had an election?

Mr. BEATSON. That is right.

The CHAIRMAN. Did you know before you went you were going to have an election?

Mr. BEATSON. No; I did not.

The CHAIRMAN. Did the other members know? In other words, did the rank-and-file membership have any notice that on this occasion they were going to elect officers?

Mr. BEATSON. No; they did not know. I even remember at the time that the A. & P. employees were not given notice of the meeting.

The CHAIRMAN. Although they were members?

Mr. BEATSON. Yes; but I think they got around it some way by saying they weren't in good standing for 6 months.

The CHAIRMAN. They had not been members for 6 months?

Mr. BEATSON. That is right.

The CHAIRMAN. And therefor they could not vote?

Mr. BEATSON. That is right.

Mr. KENNEDY. Was there opposition?

Mr. BEATSON. Well, there was some opposition from a few Food Fair clerks.

They were very dissatisfied with conditions in the Food Fair stores at the time, and they were protesting about a number of complaints that they had in the store.

Mr. KENNEDY. Did everybody have ample opportunity to nominate opposition?

Mr. BEATSON. No, there was none. It was open and close.

Mr. KENNEDY. How do you mean that?

Mr. BEATSON. The nominations were opened and someone quickly stood up and made a motion that all the incumbent officers be elected for another 4 years. Mr. Block closed the nominations and said, "All in favor, 'aye,'" and they said, "Aye," and didn't bother to ask who

was against it. There was only a few hundred members at this meeting, when the local was supposed to have a membership of around 10,000 at the time.

Mr. KENNEDY. You were elected to what positions?

Mr. BEATSON. Business agent and trustee.

Mr. KENNEDY. Did you then assume the position of trustee? Did you go in and find out what your duties were?

Mr. BEATSON. I went in and asked Mr. Casale what the duties of trustee were at the time, and he said, "No need of you to bother about it. Moe Fliss is the one who takes care of it, signs the checks and everything."

Mr. KENNEDY. Who is Moe Fliss?

Mr. BEATSON. He is the trustee of the local that signs the checks for them.

Mr. KENNEDY. The checks are signed in blank?

Mr. BEATSON. That is right.

Mr. KENNEDY. And he does that?

Mr. BEATSON. The checks have to be endorsed by the secretary-treasurer and the trustee.

Mr. KENNEDY. Don't you as a trustee also have certain responsibilities and duties?

Mr. BEATSON. No. I was told that Mr. Fliss handled everything.

Mr. KENNEDY. You never did anything after you were elected trustee?

Mr. BEATSON. Well, I asked one of the old business agents. I had just arrived there a few months prior and never—I don't believe I received the constitution, and I don't believe any of the other members ever had. I was puzzled by it, and I asked Mr. Otto Reuko, who is a business agent there. Mr. Reuko is one of the German extraction, and at the time he used to handle a lot of the German butchers in the union. I said to him, "Otto," and I told him what my conversation was with Mr. Casale, and his reply was, "Ja, you better keep your mouth shut."

Mr. KENNEDY. So you never did anything after that as far as the trustee?

Mr. BEATSON. No.

Mr. KENNEDY. Was there any verification of the expense accounts or any of the other bills that were submitted to the union for payment?

Mr. BEATSON. Not that I know of.

Mr. KENNEDY. You never knew of any?

Mr. BEATSON. No.

Mr. KENNEDY. And you do know that a lot of the checks were signed in blank?

Mr. BEATSON. Yes.

Mr. KENNEDY. Do you know of any instances where there were these petty vouchers, cash vouchers, signed in blank by any business agent?

Mr. BEATSON. Yes. We had a strike on at the time with a firm in Queens, and three of the business agents came back from New York. I believe it was Abendola, Petrizzo, and Coletti, and they spoke to me about they just came from the office, and Mr. Casale had them sign a

number of blank voucher pads. They were very much worried about it.

Mr. KENNEDY. They all expressed concern to you.

Mr. BEATSON. Yes, they did.

Mr. KENNEDY. What about the minutes of the various meetings. Who prepared the minutes?

Mr. BEATSON. Mr. Casale.

Mr. KENNEDY. Do you know of any instance where they did not reflect correctly what had occurred at the meetings?

Mr. BEATSON. I remember when I first was elected on the executive board of the union that we didn't have meetings for months at a time, and it was my understanding that the minutes were still going into the international union every month.

Mr. KENNEDY. The minutes were what?

Mr. BEATSON. The minutes were sent into the international union stating that they had the executive board meetings.

Mr. KENNEDY. This was despite the fact that you had no meetings?

Mr. BEATSON. That is right.

Mr. KENNEDY. And Mr. Casale, you say, was in charge of that?

Mr. BEATSON. That is right.

Mr. KENNEDY. What about the financial statements, as they have to be posted and the membership has to be notified what is going on, financiallywise, in the union. Was the membership ever informed?

Mr. BEATSON. No. They were never posted in the union office.

Mr. KENNEDY. Under the Taft-Hartley it has to be posted. You say it never was?

Mr. BEATSON. It never was.

Mr. KENNEDY. Was it ever read off to the membership?

Mr. BEATSON. I believe in 1952 it was.

Mr. KENNEDY. What happened then?

Mr. BEATSON. They started to read the financial report and it was very difficult to be able to figure what went where, as far as the money was concerned, but they would come to an item of cost and it was rather a high figure, and the members swooned and that is the last I ever heard of a financial report again.

Mr. KENNEDY. Your membership got up?

Mr. BEATSON. Yes, there was "oh-ing" and "ah-ing" in the meetings.

Mr. KENNEDY. Who is it that actually runs the union?

Mr. BEATSON. Max Block.

Mr. KENNEDY. Completely?

Mr. BEATSON. Well, his assistant is Mr. Casale.

Mr. KENNEDY. But does he know everything that is going on in there?

Mr. BEATSON. Yes, he directs everything.

Mr. KENNEDY. He is the one that gives the orders and instructions?

Mr. BEATSON. That is right.

Mr. KENNEDY. And the business agents only do what he tells them to do?

Mr. BEATSON. That is true.

Mr. KENNEDY. Did you ever hear of his discussing with anyone getting business for his son-in-law when he was in the paper business?

Mr. BEATSON. Mr. Stein, of Food Fair, I believe he is the president

of Food Fair, I remember him getting in touch with him on the phone a couple of times.

Mr. KENNEDY. About giving the son-in-law some business?

Mr. BEATSON. That is right.

Mr. KENNEDY. What was his name at that time?

Mr. BEATSON. Zeitler.

Mr. KENNEDY. Max Zeitler?

Mr. BEATSON. No.

Mr. KENNEDY. Martin Zeitler?

Mr. BEATSON. Martin Zeitler.

Mr. KENNEDY. Did you hear him talk to any other of the employers about giving his son business?

Mr. BEATSON. Harry Landis.

Mr. KENNEDY. Who is that?

Mr. BEATSON. I believe it is Del Marva Poultry, Del Marva Peninsula, in Maryland.

Mr. KENNEDY. Those were two that you remember about having discussions with him about giving his son-in-law business?

Mr. BEATSON. That is right.

Mr. KENNEDY. Do you know if he ever exercised any pressure among these people, or did you just overhear the conversations?

Mr. BEATSON. I would overhear the conversations. On Waldbaum, he was particularly bitter.

Mr. KENNEDY. Waldbaum?

Mr. BEATSON. That is right.

Mr. KENNEDY. Why was he bitter about Waldbaum?

Mr. BEATSON. Waldbaum wasn't giving his son-in-law any business or very little, and he put the pressure on them to.

Mr. KENNEDY. He was bitter about that?

Mr. BEATSON. That is right. He told me that he told Waldbaum, he said "I am always here to help you when you are in trouble. When you started out in business, I was the guy that helped you." And he said "Now it comes time to help my son-in-law I can't find you," or some words to that effect. I also believe a few years ago—I was not there, but there was a conversation he related to me about Bohack's, that the Bohack Co. was negotiated for a new contract, and he said to them during that, they wanted some concession during the course of contract negotiations, and he said that he told Bohack's "You are always wanting me to do favors for you, but you don't do nothing for my son-in-law," and he said that they said they would help him out in the future.

Mr. KENNEDY. You talked about Lou Stein. Were you around or present when Max Block had any conversations with Mr. Stein regarding the Food Fair and stock of Food Fair properties?

Mr. BEATSON. Well, there were many conversations there on the telephone with Mr. Stein. He was always saying in addition to the properties, prior to the properties, that Mr. Stein would always call him up when there was going to be a split on the stocks and let him know when there was a good time to buy.

Mr. KENNEDY. On various kinds of stock?

Mr. BEATSON. That is right. On Food Fair stock. Not the property stock but the regular stock.

Mr. KENNEDY. If there was going to be a split on it, he would call and tell them?

Mr. BEATSON. That is right.

Mr. KENNEDY. You say they had numerous conversations during this period of time?

Mr. BEATSON. That is right.

Mr. KENNEDY. Were you present or did Mr. Block say anything to you about the purchase of Food Fair property stock?

Mr. BEATSON. Yes. He said he had a terrific deal cooking with Food Fair in acquiring a few thousand Food Fair property stock that were going to be worth a lot of money that weren't on the market then.

Mr. KENNEDY. They weren't on the market yet but they were worth a lot of money?

Mr. BEATSON. That is right.

Mr. KENNEDY. Do you know that they discussed this a number of times on the telephone?

Mr. BEATSON. Yes. I remember another conversation that Mr. Kaplan of local 464 in Jersey, when we met him at the track one day, and he said "I just spoke to Lou Stein and he said he wouldn't do it for anybody else but you, Max, on the Food Fair property stock."

Mr. KENNEDY. Were you around Max Block a lot during this time?

Mr. BEATSON. That is right.

(At this point, Senator McClellan withdrew from the hearing room.)

Mr. KENNEDY. How did that come about?

Mr. BEATSON. One night I received word that he wanted me to come up to his house immediately, so I went up there. He told me that his life had been threatened and he wanted me to stay around.

Mr. KENNEDY. When was this, approximately?

Mr. BEATSON. It is difficult to remember.

Mr. KENNEDY. Were you around him all the time after that?

Mr. BEATSON. Yes.

Mr. KENNEDY. What was your position? Were you following him or what?

Mr. BEATSON. More or less walking in front.

Mr. KENNEDY. So you were there if anything happened to him?

Mr. BEATSON. That is right.

Mr. KENNEDY. Or to see that nothing happened to him?

Mr. BEATSON. That is true.

Mr. KENNEDY. Did you get a gun permit?

Mr. BEATSON. That is right.

Mr. KENNEDY. You were sort of his bodyguard?

Mr. BEATSON. That is right.

Mr. KENNEDY. And you were with him when he was in the office?

Mr. BEATSON. That is right.

Mr. KENNEDY. Did he spend a great deal of his time in the office, or most of his time in the office, or where?

Mr. BEATSON. Well, I usually would have to be at his house about 8 o'clock in the morning, or sometimes earlier, and he went to the office on occasions, during the racing season he would get up about 11, drive out to the track, and go from the track to the Black Angus, and be at the Black Angus until maybe 1 or 2 o'clock in the morning and then he would go home again.

Mr. KENNEDY. That is a typical day, getting up at 11, going to the track and going to the Black Angus Restaurant?

Mr. BEATSON. There were other days when he was busier, and he would get up earlier.

Mr. KENNEDY. What about the union?

Mr. BEATSON. That was done mostly by telephone; there were many times we would go from the track to the office. A few times I remember we even skipped going to the track.

Mr. KENNEDY. If you did not go to the track, what would you do?

Mr. BEATSON. We would go to the office.

Mr. KENNEDY. This was day after day?

Mr. BEATSON. That is right.

Mr. KENNEDY. You did not spend a great deal of time, then, in your local union's office?

Mr. BEATSON. No.

Mr. KENNEDY. Very little?

Mr. BEATSON. Very little.

Mr. KENNEDY. Most of the time it was at the track and the Black Angus Restaurant?

Mr. BEATSON. Yes, or his house.

Mr. KENNEDY. Or his house.

Mr. BEATSON. Yes.

Mr. KENNEDY. After the threat to kill him, did anybody ever try to after that? Did you have any trouble?

Mr. BEATSON. No, we did not have any trouble. He seemed nervous for the first 3 or 4 weeks and then he calmed down.

Mr. KENNEDY. Where did he live during that period of time?

Mr. BEATSON. New Rochelle.

Mr. KENNEDY. Who was it that was supposed to threaten him? Did you ever find an explanation?

Mr. BEATSON. I never found out his name. He was pointed out to me by Mr. Block. I think I could recognize him.

(At this point, Senator McClellan entered the hearing room.)

Mr. KENNEDY. Did they get friendly after that, the one that was going to kill him?

Mr. BEATSON. No. I saw him on two occasions in the union office.

Mr. KENNEDY. He came in the union office? Do you know why he was going to kill him?

Mr. BEATSON. No.

Mr. KENNEDY. You just saw him around?

Mr. BEATSON. Yes.

Mr. KENNEDY. And Max pointed him out as a man who had threatened his life?

Mr. BEATSON. Yes. I believe Block said that he was hired by the Clerks' Union. He made a point, he said that he had done work for other unions, and he mentioned a few, Block said. He was supposed to have a partner outside the union office, but the so-called partner never came up. He just stayed outside.

Senator CURTIS. What did he mean that he worked for other unions?

Mr. BEATSON. I don't know. That was just a conversation that Mr. Block made to me.

Senator CURTIS. Did you gather that he was a business agent, an organizer or something, or was he a hired hoodlum?

Mr. BEATSON. He was a hired hoodlum was the impression that I got.

Senator CURTIS. How long did you serve as bodyguard for Max Block?

Mr. BEATSON. A few years.

Senator CURTIS. Did you carry a gun?

Mr. BEATSON. Yes, sir.

Senator CURTIS. Did Max Block carry one?

Mr. BEATSON. No.

Senator CURTIS. Did you secure a license to carry it?

Mr. BEATSON. Yes.

Senator CURTIS. Where did you secure the license?

Mr. BEATSON. Previously I had a New York State permit, and then I received a New York City permit. Mr. Block wrote the letter requesting it.

Senator CURTIS. Do you know who he wrote the letter to?

Mr. BEATSON. The police department, city of New York.

Senator CURTIS. He didn't have any difficulty getting the permit?

Mr. BEATSON. No.

Senator CURTIS. He just had to write a letter and get one?

Mr. BEATSON. No; it is investigated. I believe it is checked by the uniformed sergeant in the police station who has to check it. I believe the captain of the precinct endorses it. The head of the detectives in the division has to endorse it, and then it goes down to the pistol bureau in New York City, downtown, the license bureau. I forget the address.

Senator CURTIS. Do you know what was in the letter that Mr. Block wrote asking a permit be issued to you?

Mr. BEATSON. I believe it said I carried large sums of money.

Senator CURTIS. Did you carry large sums of money?

Mr. BEATSON. Yes; when I was on the road I did.

Senator CURTIS. I mean during the time that you were acting as his bodyguard.

Mr. BEATSON. Did I carry large sums of money?

Senator CURTIS. Yes.

Mr. BEATSON. No.

Senator CURTIS. Did you get the permit, the gun permit, when you were on the road carrying large sums of money, or did you get the permit when you became bodyguard?

Mr. BEATSON. I believe he got it then.

Senator CURTIS. So you, when you were carrying large sums of money, you didn't have a permit?

Mr. BEATSON. Yes; I had a New York State permit. I lived out in Babylon, Long Island, and my territory consisted of Nassau and Suffolk. I had a New York State permit. But when he wanted me to be his bodyguard, I secured a New York City permit that is good throughout the entire State. The State permit is not recognized in New York City.

Senator CURTIS. That is all at this time.

The CHAIRMAN. The State permit is not recognized in New York City?

Mr. BEATSON. That is right. And the city permit is recognized throughout the State.

The CHAIRMAN. That is like the cart before the horse. The city is bigger than the State?

Mr. BEATSON. In New York; yes.

Mr. KENNEDY. Did Mr. Block, while you were his bodyguard, do much of the organizing work himself?

Mr. BEATSON. He made the contacts with employers and stuff. He never approached the members.

Mr. KENNEDY. Was he spending much money on organizing work?

Mr. BEATSON. Himself?

Mr. KENNEDY. Yes.

Mr. BEATSON. No.

Mr. KENNEDY. Did he have very high expenses in connection with the work that he was doing for the union?

Mr. BEATSON. I don't know.

Mr. KENNEDY. I mean, while you were with him, was he spending a lot of money in behalf of the union?

Mr. BEATSON. Not on behalf of the union; no.

Mr. KENNEDY. Was he spending large sums of money?

Mr. BEATSON. Yes.

Mr. KENNEDY. That money was in cash, was it?

Mr. BEATSON. Yes.

Mr. KENNEDY. Where would he spend that money?

Mr. BEATSON. At the track.

Mr. KENNEDY. When you talk about large sums, how much are you speaking of?

Mr. BEATSON. Daily? Between \$1,500 and \$2,500.

Mr. KENNEDY. Out at the track? He always had this much cash available?

Mr. BEATSON. Around \$1,500. It went between \$1,500 and \$2,500.

Mr. KENNEDY. Did you place his bets for him or handle any of that?

Mr. BEATSON. Sometimes he would ask me to go to the parimutuel window.

Mr. KENNEDY. Did he spend any time out at the country club?

Mr. BEATSON. Yes.

Mr. KENNEDY. That was the Deercree Country Club?

Mr. BEATSON. Yes.

Mr. KENNEDY. He and his brother Louis had an interest in it?

Mr. BEATSON. Yes.

Mr. KENNEDY. Did any of the business agents do any work out there at the country club?

Mr. BEATSON. Gus Suffa, business agent for 640.

Mr. KENNEDY. Suffa?

Mr. BEATSON. That is right.

Mr. KENNEDY. He was a business agent for local 640.

Mr. BEATSON. That is right.

Mr. KENNEDY. He was being paid by the local?

Mr. BEATSON. That is right.

Mr. KENNEDY. How do you know that he worked out there?

Mr. BEATSON. I saw him out there. His check—he was very seldom in the union office during around an 8-month period.

Mr. KENNEDY. Did you ever talk to him about it?

Mr. BEATSON. Yes. He told me that he was up there keeping track of the heavy equipment that was used. Apparently it was hired by the hour, and he was keeping track of the hours that it was actually used.

Mr. KENNEDY. Did he ever indicate to you how long he spent up there?

Mr. BEATSON. Yes. He was the one that I based by estimate on. He said he was up there 8 months.

Mr. KENNEDY. He told you that?

Mr. BEATSON. That is right.

Mr. KENNEDY. While he was up there, he was being paid by the union?

Mr. BEATSON. That is right.

Mr. KENNEDY. He would pick his check up where?

Mr. BEATSON. Most of the times it was at a bar in Brooklyn. I believe this name of it was Smiley & Curley's.

Mr. KENNEDY. Why would they leave it there for him?

Mr. BEATSON. It was near his home.

Mr. KENNEDY. Did he have a union automobile at that time?

Mr. BEATSON. Well, the union bought it. It was registered in his name.

Mr. KENNEDY. That was how he got out to the country club?

Mr. BEATSON. That is right.

Mr. KENNEDY. In the union automobile?

Mr. BEATSON. That is right.

Mr. KENNEDY. You say you saw him out there yourself?

Mr. BEATSON. That is right.

Mr. KENNEDY. Did he or Mr. Block's son-in-law ever speak to you about trading the automobile, exchanging their automobile?

Mr. BEATSON. Yes. I believe Mr. Block's son-in-law, Mr. Zeitler, and I had a conversation on it. He said that his car was in very bad condition and he was trying to secure another one. I said, "Well, all the union cars are being traded now, and it is a chance to buy one from the dealer." I said, "A lot of them are a little rundown, but I know Gus Suffa is in good shape." Later on I noticed that he was driving the car that formerly belonged to Mr. Suffa.

Mr. KENNEDY. Going to another matter, there were certain annuities that were voted for Louis Block and Harold Lippel in local 640 and Max Block and Casale in 342. Do you know of those annuities which have cost the union some \$190,000, do you know if they were ever approved by a vote of the membership?

Mr. BEATSON. No.

Mr. KENNEDY. You don't know?

Mr. BEATSON. I know they never were.

Mr. KENNEDY. They were never approved. Did you attend the meetings of your local?

Mr. BEATSON. Yes.

Mr. KENNEDY. And it was never brought up in your local?

Mr. BEATSON. No. The first I heard about it in 640 was Harold Lippel's statement to me, and he said:

What do you think of that character Sidney Farrell, one of the business agents? He is going around shooting his mouth off down at the market that we have a pension for ourselves and he doesn't.

He has a big mouth.

Mr. KENNEDY. You had not known yourself prior to that?

Mr. BEATSON. No.

Mr. KENNEDY. Were the automobiles of the union used in connection with the work that was being done at the Black Angus Restaurant?

Mr. BEATSON. Well, they would deliver meat there.

Mr. KENNEDY. In union automobiles?

Mr. BEATSON. Yes.

Mr. KENNEDY. What do you mean deliver meat?

Mr. BEATSON. They would pick up meat in a number of slaughterhouses, packinghouses, and bring it down to the Black Angus.

Mr. KENNEDY. Those automobiles at that time were being run and operated by business agents of the local?

Mr. BEATSON. That is right.

Mr. KENNEDY. And the meat was being brought from a number of shops where there were union contracts, is that right?

Mr. BEATSON. That is right.

Mr. KENNEDY. Is this an important union in the New York area?

Mr. BEATSON. Yes; very much so. They control practically 100 percent the wholesale meat industry in New York City. Practically all the meat from all over, for that area, comes into the 14th Street Market, the Westchester Market, or the Ford Green Market, and then disbursed to the supermarkets and retail markets in a 100-mile area.

Mr. KENNEDY. You say that is the control that it has over the business. What about the individual employees? Is that an important organization as far as an individual getting a job?

Mr. BEATSON. Yes, because the hiring, with the exception of Swifts and Arnours, the hiring is done exclusively at the union hall.

Mr. KENNEDY.. It is a union-hall operation?

Mr. BEATSON. That is right.

Mr. KENNEDY. You have to go to the union in order to get a job?

Mr. BEATSON. That is right.

Mr. KENNEDY. Can you transfer from one job to another?

Mr. BEATSON. Not without the approval of the union.

Mr. KENNEDY. So even if an employer wants to get a different butcher, he cannot hire him unless he gets the approval of the union?

Mr. BEATSON. There always seems to be less trouble for the employer getting a new butcher than for an employee seeking another job. If they were offered more money at another establishment, when they wanted to quit, they were told by the business agents they would have to see Mr. Lippel. And if they went out and secured the job, they would be thrown out of the union and would never secure another job in the industry again.

Mr. KENNEDY. Did you find while you were with the union as an official and close to Max Block that there were some employers who were treated differently than other employers?

Mr. BEATSON. Yes.

Mr. KENNEDY. There were certain employers who received favors in their contracts, or the contract was not enforced?

Mr. BEATSON. That is right.

Mr. KENNEDY. Do you have some instances of that? Was the Food Fair contract—

Mr. BEATSON. I never handled Food Fair. I know when they came into the New York City area, the Food Fair had longer hours than any other supermarket in the area. I believe they worked 54 hours or something like that. The managers were working 60 hours.

Mr. KENNEDY. What about Van Eiderstein Co.?

Mr. BEATSON. That is a rendering company.

Mr. KENNEDY. Do you know anything about them?

Mr. BEATSON. Yes. We were supposed to have an overall industry-wide contract for the rendering industry. I believe it was about 27 companies, or 17, or around there, anyway. They are all supposed to have the same contract. I noticed that in the other companies there was a union-shop clause, within 30 days you had to join the union. But in Van Eiderstein they had a shapeup for 6 months and I brought this to the attention of Mr. Block, and he always said he was going to straighten it out, but it never came about. In other houses, I uncovered a situation up in——

Mr. KENNEDY. Did you know that Van Eiderstein, the official of that company, had loaned \$25,000 to the country club?

Mr. BEATSON. Not until it was brought out in this hearing.

Mr. KENNEDY. What about Breslau? Do you know anything about them?

Mr. BEATSON. Yes. I was assigned to be the business agent in Breslau, and I followed up Mr. Singer and Mr. Farrell that were there. They were very much afraid of going down to the employers' place of business. The men were very hostile. I meet them there 1 night and the men were openly hostile. Of course, I could not find out anything, but I started to go down there for a week or two practically every night, became friendly with them, and they recited a few of their problems.

A number of them was the fact that they gave numerous complaints of the officials, and nothing ever happened to them. They started about 7 or 8 o'clock on a Sunday night and finished up between 1 and 3 Monday morning. They were paid on piecework. The smocks, the garments that they wear, they were only getting one a week, and it is very strenuous work. I think it is one of the roughest jobs in New York City.

Mr. KENNEDY. Did you complain to Max Block?

Mr. BEATSON. I did.

Mr. KENNEDY. What did he say?

Mr. BEATSON. That he was going to straighten it out, just to get down all the complaints and he would take care of it.

Mr. KENNEDY. Did you know that the owner of that company purchased \$5,000 in bonds at the country club?

Mr. BEATSON. I did not.

Mr. KENNEDY. But these two companies received favored treatment from the union, did they not?

Mr. BEATSON. Yes. I can relate an incident that happened. I was going around, speaking to the men, and they started to tell me what the conditions were in the place—working in the rain without any cover. They did not have any lights. They did not even have any sawdust to put on the floors; that they were very greasy from the fat as they came out of the railroad cars. They were forced to take the sawdust from other houses in the area. They could not get it. I got them all together and we had a little meeting. We took down the complaints and what we could do about it. The insistence was on an hourly wage. We presented it to Mr. Block, but nothing ever came of it. I had numerous discussions with Mr. Breslau, but Mr. Block thought I was too hostile to Mr. Breslau and I was taken off that job and found something else to do.

Mr. KENNEDY. But you established in both of these companies that the contract favored the employers rather than the employees?

Mr. BEATSON. That is right.

Mr. KENNEDY. And that the contract terms were not being fulfilled?

Mr. BEATSON. That is right. I mean, the situations went on by the score of the same thing. Every time we went to clean up a situation, they would find something very important for me to do some place else. I remember an incident in Brooklyn, the Galvin Trucking. They were supposed to be in the union since 1937. I never even heard of them. They were a trucking company. The first that I had known about it was I was approached by an official of the Teamsters Union and told that they were all in his office and wanted to come into his union. He said, "None of them are in the union. There was only a few of them in the union."

Mr. KENNEDY. Let me interrupt. During this period of time, we are not going to go into anything about the Teamsters. Maybe we could save that.

Mr. BEATSON. All right.

Mr. KENNEDY. During the trial in New York we are not going into that.

Mr. BEATSON. All right.

Mr. KENNEDY. I now want to ask you about the last matter we will go into, about the strike that you handled out on Long Island, dealing with the duck processing plants.

Mr. BEATSON. That is right.

Mr. KENNEDY. Where specifically was it, and what were the companies involved?

Mr. BEATSON. Riverhead Duck Processing Corp. in Riverhead was the plant.

Mr. KENNEDY. Riverhead, Long Island?

Mr. BEATSON. That is right; where we had a strike.

Mr. KENNEDY. Was there any other company involved?

Mr. BEATSON. No. There were others in the area, but no attempt was being made to organize them.

Mr. KENNEDY. What kind of work were they doing out there?

Mr. BEATSON. It was the eviscerating of poultry.

Mr. KENNEDY. You were trying to organize them, and you went out and you were in charge of the strike?

Mr. BEATSON. That is right.

Mr. KENNEDY. When was that? When did that occur?

Mr. BEATSON. I believe that was in June of 1955.

The CHAIRMAN. Was that after you had the membership signed up, or was the purpose of the strike to try to compel them to unionize?

Mr. BEATSON. No, we had about three-quarters of them signed up.

The CHAIRMAN. Then you did have a majority; it was not an organizational strike?

Mr. BEATSON. Well, it was, but we had the members, too. I mean, we had over half of the members.

Mr. KENNEDY. What was your job out there, Mr. Beatson? What were you to do?

Mr. BEATSON. I was supposed to be the director of the strike.

Mr. KENNEDY. How many employees were involved?

Mr. BEATSON. Between 100 and 115.

Mr. KENNEDY. And you were directing the pickets?

Mr. BEATSON. That is right.

Mr. KENNEDY. And any union financing was done through you?

Mr. BEATSON. That was my understanding, yes.

Mr. KENNEDY. Was there a great deal of money spent on that strike?

Mr. BEATSON. I did not think so at the time, but I later found out that they were reimbursed quite a sum of money for it.

Mr. KENNEDY. How much did you find out that they were reimbursed?

Mr. BEATSON. \$10,000.

Mr. KENNEDY. From whom were they reimbursed?

Mr. BEATSON. The Teamsters-Butchers Joint Organizing Committee.

Mr. KENNEDY. How long did the strike last?

Mr. BEATSON. Around 6 days, I believe.

Mr. KENNEDY. How much money do you think you spent on the strike, or how much money do you think was spent, maximum, on the strike?

Mr. BEATSON. I believe I spent about \$1,500, and I think the top, overall figure couldn't have been more than \$2,500.

Mr. KENNEDY. Yet they collected from the Butcher-Teamster joint organizing drive some \$10,000?

Mr. BEATSON. That is right.

Mr. KENNEDY. Over \$10,000?

Mr. BEATSON. Yes.

Mr. KENNEDY. Do you know what happened to the rest of the money?

Mr. BEATSON. No, I do not.

Mr. KENNEDY. From whom did you receive your money?

Mr. BEATSON. Well, it was a problem at the time. I wasn't receiving any for the first couple of days. We went out on a Sunday night. The strike started at 12 o'clock Sunday night. I did not have any money with me, and the business agents came out—it was so short, about 18 business agents there—that they were sleeping in shifts, 4 or 5 to a room. I started calling up to ask them to send down money and it didn't come. The first 2 days, I believe I borrowed \$200 from 2 business agents from local 174, Mr. Mayor and Mr. Stubeck.

They were two officials of another Butchers Union that were sent out to assist. I believe it was on Wednesday that Max Singer arrived. He came out with a few hundred dollars. We were still very, very short. He cashed a personal check in a supermarket in Riverhead for approximately \$600.

Mr. KENNEDY. Were you reimbursed for these sums later on?

Mr. BEATSON. Well, I understand Mr. Lippel, the secretary-treasurer, sent Mr. Singer's bank the \$600 to cover the cost of the check.

Mr. KENNEDY. Did you ever receive any petty cash yourself?

Mr. BEATSON. Possibly a few hundred dollars.

Mr. KENNEDY. And from whom was that? From whom did you receive that money?

Mr. BEATSON. Mr. Singer, when he came out, brought a few hundred dollars with him.

Mr. KENNEDY. What would you spend the money for? How did you spend the money that you did spend?

Mr. BEATSON. Most of it was for pickets.

Mr. KENNEDY. For instance, were you paying the employees that were out on strike? Did you give them so much money each day?

Mr. BEATSON. No. We were paying one employee of the Riverhead Co. The name was Diana McCoy, and I believe we were paying her \$60 a week, and she received 1 payment of \$60.

Mr. KENNEDY. That is all you paid? You did not pay all the employees?

Mr. BEATSON. None of the employees received any money, but we had eight pickets that an official of another union acquired. We were paying them \$8 a day, \$1 an hour, roughly.

Mr. KENNEDY. Were you buying food for the employees, or doing anything like that?

Mr. BEATSON. Yes. I believe we spent about \$37 on cold cuts and refreshments. We hired a very expensive hall at \$5 a day in Riverhead.

Mr. KENNEDY. The hall cost you \$5 a day?

Mr. BEATSON. That is right.

Mr. KENNEDY. What about rooms? Did you have a lot of rooms for the various people down there?

Mr. BEATSON. No. They were sleeping in shifts. I believe they only had three rooms, and my hotel bill was sent right to the union.

Mr. KENNEDY. So there really were no high expenses, were there?

Mr. BEATSON. None.

Mr. KENNEDY. Could you explain at all how they could get a bill and a check amounting to over \$10,000?

Mr. BEATSON. No.

Mr. KENNEDY. You say unequivocally that that amount of money was not spent out there?

Mr. BEATSON. That is right.

Mr. KENNEDY. Did the Teamster official that went to pay the bill, did they object to it?

Mr. BEATSON. It was the Teamsters-Butchers joint organizing committee, and Dale Carson who was the representative of the Teamsters' end of the Teamster-Butchers organizing committee, I believe a field representative, told me he was approached by Earl Grant, the field representative for the Butchers on the committee, and he was complaining about the \$10,000 figure. This was weeks after the strike and the first that I heard about it.

I said to him he was out of his mind, no such figure was spent. So he says "Well, the bill was sent in for that, and Earl Grant of the Butchers was complaining about it."

Mr. KENNEDY. We have a letter dated June 23, 1955, and it is addressed to Mr. Leon Shacter, cochairman of the Teamsters and Butchers joint organizing committee, 100 Indiana Avenue, Washington, D. C., signed by Max Block, international board member.

It states—

The following is the report of the expenses incurred by local 640 for organizing the Duck Farm on Long Island. Friday, June 3, for the use of 20 cars and organizing expenses, \$1,100.

Here is a copy of the letter, Mr. Chairman. I would like to ask him about the contents of the letter.

The CHAIRMAN. You may have this document before you while you are interrogated so you can refer to it. I assume you cannot identify the document. Have you ever seen that letter before? Do you recognize it?

(The document was handed to the witness.)

Mr. BEATSON. No, sir.

The CHAIRMAN. Do you know the signature on it?

Mr. KENNEDY. I don't think it has one.

Mr. BEATSON. It is Max Block. It looks like his.

The CHAIRMAN. You identify the signature, or do you know for sure?

Mr. BEATSON. No, I wouldn't know.

The CHAIRMAN. You may interrogate him about the letter. It can be made an exhibit later.

Mr. KENNEDY. It says:

For the use of 20 cars in organizing expenses, \$1,100.

Did you have 20 cars?

Mr. BEATSON. Possibly.

Mr. KENNEDY. You possibly did?

Mr. BEATSON. Yes.

Mr. KENNEDY. Were you paying for that?

Mr. BEATSON. No.

Mr. KENNEDY. You weren't paying for the 20 cars?

Mr. BEATSON. No.

Mr. KENNEDY. Where did the 20 cars come from?

Mr. BEATSON. They were the business agents of the union.

Mr. KENNEDY. The regular automobiles for which they were getting expenses?

Mr. BEATSON. That is right.

Mr. KENNEDY. So you did not have to rent 20 cars?

Mr. BEATSON. No.

Mr. KENNEDY. Did you spend on the first day \$1,100?

Mr. BEATSON. No.

Mr. KENNEDY. How much money do you think you spent the first day?

Mr. BEATSON. About \$100.

Mr. KENNEDY. About \$100. Then on June 4, 15 cars and picket expenses, of \$1,250. Is that correct?

Mr. BEATSON. No.

Mr. KENNEDY. Again you did not have to rent those cars?

Mr. BEATSON. No.

Mr. KENNEDY. Sunday, June 5, 3 cars, and picket expenses, \$600. Monday, June 6, 20 cars and organizing expenses, \$1,150; Tuesday, June 7, 15 cars and picket expenses, \$1,250.

Then there is another, June 7, another organizing expense of \$150.

On that day, could you have picket expenses amounting to \$1,250?

Mr. BEATSON. Our total picket expenses were roughly \$320.

The CHAIRMAN. For the whole period?

Mr. BEATSON. That is right.

Mr. KENNEDY. Wednesday, 12 cars and picket expenses, another \$1,250. How much did you say you were paying the pickets?

Mr. BEATSON. \$8 a day.

Mr. KENNEDY. How many pickets did you have?

Mr. BEATSON. Eight.

Mr. KENNEDY. Thursday, June 9, 15 cars and picket expenses, another \$1,250; and then another \$200 on that day for organizational expenses.

Then Friday, June 10, 14 cars and organizational expenses of \$1,163.19; Saturday, June 11, cars and picketing expenses, \$650. Total expenditures for this campaign were \$10,013.19. Do you have any comment on that?

Mr. BEATSON. No; but I think for \$10,013 we could have put a downpayment on the business. There was only 100 to 115 or 120 tops in the whole company.

Mr. KENNEDY. After you signed them up, did you get other employees of duck-processing companies in that area?

Mr. BEATSON. Yes, we got another one, but no expenses were spent on them, with no strike.

Mr. KENNEDY. That is all for now.

The CHAIRMAN. Senator Curtis.

Senator CURTIS. What was the number of the local for which you were business agent?

Mr. BEATSON. 640.

Senator CURTIS. How many members did 640 have?

Mr. BEATSON. I have never been able to find out.

Senator CURTIS. Do you have an estimate?

Mr. BEATSON. Around 3,000.

Senator CURTIS. Around 3,000?

Mr. BEATSON. It was a closely guarded secret.

Senator CURTIS. Do you know how much their annual dues were?

Mr. BEATSON. It varied. Most of the members were paying \$6 and the others were paying \$5.

Senator CURTIS. Per month?

Mr. BEATSON. That is right.

Senator CURTIS. Were there any other charges or assessments levied on the members?

Mr. BEATSON. Well, of course, a very big item was the initiation of \$100. And they used to have a very big turnover.

Senator CURTIS. Do you know what kind of salaries the officers got?

Mr. BEATSON. I got \$190 a week.

Senator CURTIS. Do you know what Mr. Block drew?

Mr. BEATSON. No.

Senator CURTIS. Were trustees paid something?

Mr. BEATSON. I don't know.

Senator CURTIS. You never got anything for service as trustee?

Mr. BEATSON. I was not a trustee of 640. That was the other local.

Senator CURTIS. The other local for which you were a trustee, did they pay you as a trustee?

Mr. BEATSON. No, I didn't.

Senator CURTIS. Was Max Block president of both locals?

Mr. BEATSON. That is right.

Senator CURTIS. How big was the other local?

Mr. BEATSON. Estimates were given of between 10,000 and 13,500.

Senator CURTIS. What is the number of that local?

Mr. BEATSON. 342.

Senator CURTIS. How much dues would they pay?

Mr. BEATSON. Right now it is \$4.50. At the time I believe it was \$4.

Senator CURTIS. And what is the initiation there?

Mr. BEATSON. I believe now it is \$75 for the clerks. I am not quite sure how much they charge the butchers.

Senator CURTIS. You spoke awhile ago of someone signing other individuals' names to applications. Who was doing that signing?

Mr. BEATSON. William Casale.

Senator CURTIS. For what local was that?

Mr. BEATSON. 342.

Senator CURTIS. What was it he was signing?

Mr. BEATSON. He was signing applications for the employees in King Kullen and Kollner's.

Senator CURTIS. Where are those stores located?

Mr. BEATSON. On Long Island. They were already organized by another union and I think the idea of the move was to harass the other union.

Senator CURTIS. You saw him doing the signing?

Mr. BEATSON. That is right.

Senator CURTIS. Where?

Mr. BEATSON. In the union office.

Senator CURTIS. Where was that?

Mr. BEATSON. In Jamaica at the time, in Queens.

Senator CURTIS. Were these applications ever used?

Mr. BEATSON. I don't believe so. I believe Mr. Kennedy, the president of local 1500 at the time, thought that they were phonies, and I believe he notified the Labor Board and I don't think anything ever came of it. It never came to an election, I don't believe.

Senator CURTIS. Is it a violation of law to forge a name on a union application?

Mr. BEATSON. I am not a lawyer, Senator.

Mr. KENNEDY. I don't have the answer to it.

Senator CURTIS. That is all.

The CHAIRMAN. Have you any further questions?

Mr. KENNEDY. That is all.

The CHAIRMAN. Call the next witness.

Thank you very much.

Mr. KENNEDY. Mr. Joseph Suffa.

The CHAIRMAN. You do solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. SUFFA. I do.

TESTIMONY OF JOSEPH SUFFA, ACCOMPANIED BY COUNSEL, GEORGE KAMINSKY

The CHAIRMAN. State your name, your place of residence, and your business or occupation, please.

Mr. SUFFA. My name is Joseph Suffa. I live at 221 Wyckoff Avenue, Brooklyn, N. Y. I am a business agent of local 640.

The CHAIRMAN. You have counsel.

Mr. Counsel, identify yourself for the record, please.

Mr. KAMINSKY. George Kaminsky, 200 West 57th Street, New York City.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Mr. Suffa, you are a business agent of local 640 and you have held that position for how long?

Mr. SUFFA. Going on 22 years.

Mr. KENNEDY. What is your salary at the present time?

Mr. SUFFA. \$190.

Mr. KENNEDY. Do you get expenses?

Mr. SUFFA. That is included. That is everything.

Mr. KENNEDY. That is included in the \$190. We have had some testimony here that while acting as a business agent for local 640, you worked out at the Deercreek Country Club. Did you do any work out there?

Mr. SUFFA. I did not.

Mr. KENNEDY. You never did any work of any kind?

Mr. SUFFA. No, sir.

Mr. KENNEDY. Did you spend any time or much time out there?

Mr. SUFFA. I did spend some time out there; yes, sir.

Mr. KENNEDY. How much time did you spend out there?

Mr. SUFFA. Well, my son worked there and I visited my son after my day's work was finished. I would get up every morning at 5 o'clock and take care of my work in the markets. I have an early market run. They open at 4 o'clock in the morning. At 2 or 3 o'clock occasionally I would take a ride out to see the kid.

Mr. KENNEDY. Did you go out every day to see your kid?

Mr. SUFFA. No, sir.

Mr. KENNEDY. Every other day?

Mr. SUFFA. Maybe twice a week. Occasionally on Saturday I would take my missus out for a ride. He lived there.

Mr. KENNEDY. He lived at the country club?

Mr. SUFFA. Yes.

Mr. KENNEDY. What time would you go out?

Mr. SUFFA. Around 3 or 3:30.

Mr. KENNEDY. Did you help him out a bit?

Mr. SUFFA. I would just fool around with the kid. No work, no actual work.

Mr. KENNEDY. Just walked around?

Mr. SUFFA. Just for the sunshine. I had to get up early every morning, and be in the icebox and so forth, and I would go out there to get some fresh air.

Mr. KENNEDY. You never did any work?

Mr. SUFFA. No, sir.

Mr. KENNEDY. If they needed some odd jobs done, did you assist?

Mr. SUFFA. No, sir.

Mr. KENNEDY. You never did?

Mr. SUFFA. No, sir.

Mr. KENNEDY. No odd jobs of any kind?

Mr. SUFFA. No, sir.

Mr. KENNEDY. Did you ever tell Mr. Beatson that you did any work out there?

Mr. SUFFA. I did not.

Mr. KENNEDY. Did you ever tell him that you worked out there for about 8 months?

Mr. SUFFA. No, sir.

Mr. KENNEDY. You never did?

Mr. SUFFA. No, sir.

Mr. KENNEDY. So this is completely untrue?

Mr. SUFFA. Completely untrue; that is right.

Mr. KENNEDY. Just your son worked out there?

Mr. SUFFA. That is right.

Mr. KENNEDY. Then he testified also about the trading in of an automobile to Mr. Block's son-in-law. Did you have any business transactions with Block's son-in-law?

Mr. SUFFA. I just turned the car over to him, and he gave me his car. When we swapped our cars, mine was a little better than his, and I gave him my car and traded his in for a new one.

Mr. KENNEDY. This was your own personal car?

Mr. SUFFA. Yes, sir.

Mr. KENNEDY. It belonged to the union?

Mr. SUFFA. After so many years, they would reimburse me with a new car for the use of the union.

Mr. KENNEDY. When you finally traded the automobile in, who made up the differential between the automobiles?

Mr. SUFFA. The union.

Mr. KENNEDY. Let's trace it through, if we can. What kind of an automobile did he have?

Mr. SUFFA. He had, if I am not mistaken, an Olds or a DeSoto.

I am not positive.

Mr. KENNEDY. That was a 1953 DeSoto?

Mr. SUFFA. Possibly.

Mr. KENNEDY. He had a 1953 DeSoto which was not in very good shape.

Mr. SUFFA. That is right.

Mr. KENNEDY. And you had at that time a 1953 or 1954 Buick?

Mr. SUFFA. Yes, sir.

Mr. KENNEDY. A 1954 Buick, I believe. And the trade took place on November 19, 1955?

Mr. SUFFA. If I am not mistaken, I think it was.

Mr. KENNEDY. You gave him your 1954 Buick for his 1953 DeSoto?

Mr. SUFFA. That is right.

Mr. KENNEDY. And his 1953 DeSoto was not in very good shape?

Mr. SUFFA. I did not have as much mileage as he had on his.

Mr. KENNEDY. That was the 19th of November 1955. And on the 21st of November 1955, you took this DeSoto in and traded it for a new automobile?

Mr. SUFFA. That is right.

Mr. KENNEDY. And the differential between the price they gave you on the DeSoto and the new automobile was made up by the union, is that right?

Mr. SUFFA. That is right.

Mr. KENNEDY. Then the difference in price between the 1953 DeSoto and the 1954 Buick, the union had to make up that differential?

Mr. SUFFA. I believe so.

Mr. KENNEDY. According to the list price, that automatically cost the union about \$500?

Mr. SUFFA. I wouldn't know what the price was. I just turned it in and they gave me a new car.

Mr. KENNEDY. Well, that was \$500 of the union members' dues money?

Mr. SUFFA. I wouldn't think it was that much money. His car was in good condition, but he had more mileage.

Mr. KENNEDY. A 1953 DeSoto is worth \$1,075. A 1954 Buick is worth \$1,595. The loss to the union through this trade was \$520. But in addition to that, Mr. Suffa, the DeSoto was in such bad shape that instead of allowing \$1,075, they only allowed \$650 for that.

Mr. SUFFA. I did not know what they allowed for it, sir.

Mr. KENNEDY. Therefore, that was another \$425 lost there, so the total that that transaction cost the union was \$945, a gain and the betterment of Mr. Block's son-in-law.

Mr. SUFFA. I didn't know what the price was when they swapped it. I just swapped it in for a new car, and the union took over from there on.

Mr. KENNEDY. You are business agent. You have certain responsibilities to the union. If you are going to trade your automobile in—

Mr. SUFFA. I got the O. K. from the union to exchange my car.

Mr. KENNEDY. Who did you get the O. K. from?

Mr. SUFFA. The executive board and the officials.

Mr. KENNEDY. Who?

Mr. SUFFA. The executive board, Max Block and the board. And the secretary-treasurer and the board members.

Mr. KENNEDY. You talked to William Casale?

Mr. SUFFA. I have nothing to do with William Casale.

Mr. KENNEDY. You talked to Max Block, the secretary-treasurer and the executive board?

Mr. SUFFA. Yes.

Mr. KENNEDY. Who is that?

Mr. SUFFA. Mr. Lippel.

Mr. KENNEDY. Did you go before the executive board?

Mr. SUFFA. Yes, sir.

Mr. KENNEDY. They had a meeting of the executive board?

Mr. SUFFA. That is right. We could not get them unless they approved it.

Mr. KENNEDY. They approved of that.

But did they approve of the fact that you were going to exchange a 1954 Buick for a 1953 DeSoto which was not in good shape?

Mr. SUFFA. No, sir.

Mr. KENNEDY. They did not approve that?

Mr. SUFFA. I don't know if they did. They just approved of me getting a new car.

Mr. KENNEDY. Did you discuss with Max Block the fact that you were going to trade with his son-in-law?

Mr. SUFFA. No, sir; I did not.

Mr. KENNEDY. That was all on your own?

Mr. SUFFA. All on my own.

Mr. KENNEDY. You just made the decision yourself?

Mr. SUFFA. That is right.

Mr. KENNEDY. That was very profitable for Max Block's son-in-law. You knew he was Max Block's son-in-law at the time?

Mr. SUFFA. I did.

Mr. KENNEDY. He was the one that made the approach to you?

Mr. SUFFA. I said to him that I was swapping my car in. According to what Mr. Beatson said before, he told Mr. Block's son-in-law that there was a chance of getting the better one of the lot, which was mine. He did not come to me, I said to him and said, "Martin, if you are looking for a car, you can have mine."

Mr. KENNEDY. You went to him?

Mr. SUFFA. I met him quite often. I said, "Martin, I am pushing my car through, and if you want to, you can take my car."

Mr. KENNEDY. How did you know that he was thinking of doing that?

Mr. SUFFA. How? Because I heard Mr. Beatson speaking about it, that the kid was looking for a car, and I went to him.

The CHAIRMAN. What this added up to is that Mr. Block's son-in-law received the equivalent of \$945 in value. At least the union lost that much. If your Buick was in good condition or marketable condition for the purpose of the trade-in, had you traded in your Buick you would have been allowed a credit of \$1,595; whereas you swapped the Buick for the DeSoto and the DeSoto actually brought in the trade only \$670, leaving the union paying out \$945 by reason of your having made your car available to Block's son-in-law.

Mr. SUFFA. I did not even ask them for a price on my car when I gave it to the kid.

The CHAIRMAN. I understand you did not, but you can very well see how the transaction turned out now.

Mr. SUFFA. Yes, sir.

The CHAIRMAN. Do you think you ought to reimburse the union for that money?

Mr. SUFFA. Well, it was my car. I did not feel that it had to be any other way, if I wanted to give the car to the kid. It was up to myself. I didn't know I was doing anything wrong about it.

The CHAIRMAN. You didn't lose the \$945. That came out of union dues. Who lost? Who lost on the transaction?

Mr. SUFFA. The union, of course, the way you tell me.

The CHAIRMAN. That is right.

Senator CURTIS. Mr. Chairman?

The CHAIRMAN. Senator Curtis.

Senator CURTIS. Who handled the paperwork for the transfer of titles?

Mr. SUFFA. The Buick.

Senator CURTIS. The garage?

Mr. SUFFA. The Buick, the owners of the Buick, Kaplan Buick.

Senator CURTIS. What kind of new car did you get?

Mr. SUFFA. Buick; the same as I had.

Senator CURTIS. And the place where you dealt with to get the new car, that is where they fixed up the transfer?

Mr. SUFFA. From one car to another, and they kept his car.

Senator CURTIS. Including the DeSoto?

Mr. SUFFA. That is right.

Senator CURTIS. And you had no conversation with anyone about doing this?

Mr. SUFFA. No, sir.

Senator CURTIS. What do you mean by saying it was your car?

Mr. SUFFA. Well, when I came with the organization, when I started, I had my own car, and every 2 or 3 years we used to exchange them and get a new one, because we give the use of the car to the union to get around. You could not get around without a car, to some spots, I have, in Jersey, the Meadows and other places.

Senator CURTIS. Suppose you quit or were fired after buying a new car. Who would the car belong to then?

Mr. SUFFA. Myself.

Senator CURTIS. It would?

Mr. SUFFA. Yes, sir.

Senator CURTIS. Has that happened?

Mr. SUFFA. It happened to Mr. Beatson when he went out. He took the new car with him. He got a brand new car and he took it with him when he went out. He was a business agent also.

Senator CURTIS. They always do that.

Mr. SUFFA. Yes, sir.

Senator CURTIS. Sort of a severance pay.

Mr. SUFFA. Well, I wouldn't know what you would call it, but that is what happened.

Senator CURTIS. What kind of car did Mr. Beatson have?

Mr. SUFFA. Buick, same as mine.

Senator CURTIS. How old was it?

Mr. SUFFA. His was about a year old when he left.

Senator CURTIS. Do you know if he started out providing the union with a car?

Mr. SUFFA. Yes, sir. He had a car of his own also.

Senator CURTIS. What kind was it?

Mr. SUFFA. I wouldn't remember what his other car was. I know he got a new Buick.

Senator CURTIS. They are always licensed in the individual's name and not the union's name?

Mr. SUFFA. Yes. The individual's name.

Senator CURTIS. Who pays for the insurance?

Mr. SUFFA. The union.

Senator CURTIS. Did they pay for any insurance on the car that Max Block's son-in-law got?

Mr. SUFFA. No.

The one I turned over to him?

Senator CURTIS. Yes.

Mr. SUFFA. They paid it while I had it; yes, sir.

Senator CURTIS. They didn't pay it after this?

Mr. SUFFA. No, sir, not that I know of.

Senator CURTIS. That is all.

Mr. KENNEDY. What did you do after you got a new car in November of 1955? Do you still have that automobile?

Mr. SUFFA. No, I sold it.

Mr. KENNEDY. You sold it?

Mr. SUFFA. Yes, sir.

Mr. KENNEDY. The union got that money?

Mr. SUFFA. No. I sold it and kept that money. It was approved by the executive board that the business agents take their cars, do as they please with them, and they rent cars now. We don't buy cars any more.

Mr. KENNEDY. Now you have another automobile?

Mr. SUFFA. A rental, no more buying.

Mr. KENNEDY. Who pays the rental on the new automobile?

Mr. SUFFA. The union.

Mr. KENNEDY. How much money did you get for that?

Mr. SUFFA. I sold it for \$1,000.

Mr. KENNEDY. Did you declare that?

Mr. SUFFA. I told it to my accountant, but it was not in time to put through with my tax. He has it, my accountant. It was December 24 when I sold it.

Mr. KENNEDY. Was it declared in your income tax?

Mr. SUFFA. Not after that, but he knew about it after that, because he had my forms made up already. My tax was in early.

Mr. KENNEDY. When was your tax in?

Mr. SUFFA. My tax was in in April or May. I am not sure.

Mr. KENNEDY. When did you sell the automobile?

Mr. SUFFA. In December.

Mr. KENNEDY. That's not too early to list this. You got \$1,000?

Mr. SUFFA. That is right. But I paid tax on that car, and my expense account in 1955.

You have my records there. I had to pay income tax back to 1954 and 1955, and there was \$2,500 additional expense for that car on my income tax which I paid tax on.

Mr. KENNEDY. What do you mean? I don't understand you.

Mr. SUFFA. We had to pay tax on all of our moneys, 1954 and 1955.

Mr. KENNEDY. The expenses you got?

Mr. SUFFA. We had salary and expense. Then I was told I had to pay tax on \$2,500 for that car.

Mr. KENNEDY. That has nothing to do with the time you sold this automobile and received \$1,000, which you kept yourself, and did not pay taxes on.

Mr. SUFFA. Well, my accountant is going to declare that, I understand, right now, if it is taxable.

Mr. KENNEDY. You received it in 1957 but did not declare it in 1957.

Mr. SUFFA. I don't know if it was taxable, because I paid the tax on that car once, with the \$2,500 on expense money.

Mr. KENNEDY. When did you first come into the union?

Mr. SUFFA. 1937. I worked in a slaughterhouse at that time, and I went out organizing when the union started.

Mr. KENNEDY. When did you bring an automobile in?

Mr. SUFFA. In 1937.

Mr. KENNEDY. And you have been getting a new automobile periodically?

Mr. SUFFA. Every 2 or 3 years.

Mr. KENNEDY. All paid for by the union?

Mr. SUFFA. Yes, sir.

Mr. KENNEDY. And all in your name?

Mr. SUFFA. Yes, sir.

Mr. KENNEDY. Going back to the country club, you did not supervise the employees who were working at the country club.

Mr. SUFFA. I had nothing to do with the supervision at any club.

Mr. KENNEDY. Did you not supervise the equipment or the employees?

Mr. SUFFA. No, sir.

Mr. KENNEDY. That is all.

The CHAIRMAN. All right, thank you very much.

The Committee will stand in recess until 2 o'clock.

(Whereupon, at 12:13, a recess was taken until 2 p. m. of the same day, with the following members present: Senators McClellan and Curtis.)

AFTERNOON SESSION

(At the reconvening of the committee, the following members were present: Senators McClellan and Curtis.)

The CHAIRMAN. The committee will come to order. Call the next witness.

Mr. KENNEDY. Mr. Chairman, I would like to call Mr. Kopecky, of the committee staff, to put in the documents regarding the automobile.

The CHAIRMAN. Come forward, Mr. Kopecky.

TESTIMONY OF GEORGE KOPECKY—Resuming

The CHAIRMAN. Mr. Kopecky has been previously sworn. You may proceed.

Mr. KENNEDY. Mr. Kopecky, have you examined the documents in connection with the transfer of the automobile from Mr. Block, son-in-law to Mr. Suffa, the business agent?

Mr. KOPECKY. Yes, I have.

Mr. KENNEDY. Would you put into the record what the records show as far as the type of automobile that was transferred?

Mr. KOPECKY. The records show that on or about November 19, 1955, one Martin Zietler transferred a 1953 DeSoto club coupe, 8-cylinders, model S-16, Firedome, with a serial No. of 55088547, to one Joseph G. Suffa, and this was transfer of the 1953 DeSoto of Zietler to Joseph Suffa. In turn, the records of New York reflect that Joseph Suffa transferred a 1954 Buick automobile, sedan, 8-cylinder, model 52, a super, Serial No. 5A30333340 to Mr. Zietler, Martin Zietler.

Senator CURTIS. What is the date of the transfer?

Mr. KOPECKY. On or about November 19, 1955.

Mr. KENNEDY. Could we have that made an exhibit, Mr. Chairman?

The CHAIRMAN. These documents may be made exhibit No. 14.

(Documents referred to were marked "Exhibit No. 14," for reference and may be found in the files of the select committee.)

The CHAIRMAN. Why do you say on or about November 19?

Mr. KOPECKY. It was on November 19. One of the documents does reflect it to be November 19. The other document is without a date. But both are signed by the same two individuals. So it is November 19, 1955.

The CHAIRMAN. All right.

Mr. KENNEDY. Have you examined the list price of the various automobiles at that time?

Mr. KOPECKY. Yes, I have.

Mr. KENNEDY. What do we find the value of the 1953 De Soto to be as compared to the value of the 1954 Buick?

Mr. KOPECKY. According to a guide put out by the National Automobile Dealers' Association for the period of November 1955, it reflects that a 1953 De Soto of this style and model would be worth \$1,075; whereas a 1954 Buick would be worth \$1,595.

Mr. KENNEDY. So there was a differential in price of how much?

Mr. KOPECKY. \$520.

Mr. KENNEDY. Just based on that transaction, the union lost \$520 when Mr. Suffa then took that 1953 De Soto and traded it in on the 21st of November?

Mr. KOPECKY. Yes. Two days later Mr. Suffa traded in that automobile and the union purchased for him a 1956 Buick.

Mr. KENNEDY. From a study of the records, does it indicate that the 1953 automobile was in very poor shape, or condition?

Mr. KOPECKY. That is correct.

Mr. KENNEDY. So how much did the union actually receive in the trade-in?

Mr. KOPECKY. The union received a trade-in allowance of \$650.

Mr. KENNEDY. Which was less than the list price?

Mr. KOPECKY. That is right.

Mr. KENNEDY. What was the total loss to the union on this transaction?

Mr. KOPECKY. \$945.

Mr. KENNEDY. You have the documents on that?

Mr. KOPECKY. Yes.

Mr. KENNEDY. Can we make those an exhibit?

The CHAIRMAN. They may be made exhibit No. 15.

(Documents referred to were marked "Exhibit No. 15," for reference and may be found in the files of the select committee.)

Mr. KENNEDY. That is all.

Senator CURTIS. Mr. Kopecky, how do you establish that the De Soto was in bad condition?

Mr. KOPECKY. Due to the fact that the Automobile Dealers' Guide reflects that the value of this automobile in November 1955 would be worth about \$1,075. However, 2 days after the trade, instead of being allowed \$1,075, a trade-in allowance of only \$650 was permitted.

Senator CURTIS. But how do you establish that that was because it was in poor condition?

Mr. KOPECKY. The record will speak for itself in that case, Senator.

Senator CURTIS. What I mean is I am not challenging you, but apparently this salesman knew what was going on. He could charge the union most anything, because he took in a car that did not belong to a business agent.

Mr. KOPECKY. In furtherance of that, Mr. Zietler and the union business agent have advised me that the car was not in good shape. That was the reason for the trade.

Senator CURTIS. That is all. I am not questioning Mr. Kopecky's word on this, but the point is these dealers may have known what was going on or may not have.

The CHAIRMAN. We were actually being charitable to them by saying this car was in bad condition. If they entered into some collusion to get less for it than the market—

Senator CURTIS. Apparently it didn't make any difference what they charged to the union. It was a fraudulent deal anyway, and a few more dollars wouldn't add anything.

The CHAIRMAN. In other words, the guide I understand you referred to there, if the car is in reasonably good condition at that age, it should have a trade-in value of the amount stated?

Mr. KOPECKY. That is correct.

The CHAIRMAN. Of course, some cars may not be in good condition and they might offer less for them in trade.

Mr. KOPECKY. That is right.

The CHAIRMAN. That is a reasonable assumption, although it still makes allowance for the car having been in good condition and some other kind of a deal made.

Mr. KOPECKY. That is right.

The CHAIRMAN. But to take the most charitable view of it, I would find that the car possibly wasn't in as good condition as it should be, and, therefore, they allowed less for it.

Mr. KOPECKY. That is correct.

Mr. KENNEDY. That is all.

The CHAIRMAN. Call the next witness.

Mr. KENNEDY. Mr. Louis Block.

The CHAIRMAN. Will you be sworn, sir?

You do solemnly swear that the evidence given before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. BLOCK. Yes, sir.

TESTIMONY OF LOUIS BLOCK, ACCOMPANIED BY COUNSEL, JAMES M. McINERNEY

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. BLOCK. Louis Block, Osborn Road, Harrison, N. Y., administrative director of the Labor Health Institute; trustee of welfare and pension of 640.

The CHAIRMAN. Mr. Block, you have counsel?

Mr. Counsel, identify yourself for the record.

Mr. McINERNEY. James M. McInerney, American Building, Washington, D. C.

The CHAIRMAN. All right, Mr. Kennedy.

Mr. KENNEDY. Mr. Block, you have been with the Meat Cutters Union for how long?

Mr. BLOCK. I beg your pardon?

Mr. KENNEDY. You were with the Meat Cutters Union how long?

Mr. BLOCK. Approximately 20 years.

Mr. KENNEDY. Starting when?

Mr. BLOCK. About 1935, I believe.

Mr. KENNEDY. Were you with a union prior to that time?

Mr. BLOCK. No, sir.

Mr. KENNEDY. That was the first union that you came with?

Mr. BLOCK. That is right.

Mr. KENNEDY. What local was that?

Mr. BLOCK. 640.

Mr. KENNEDY. Were you one of the founders of local 640?

Mr. BLOCK. That is correct.

Mr. KENNEDY. With whom? With whom else? Who else founded the union with you?

Mr. BLOCK. Approximately half-dozen employees.

Mr. KENNEDY. Were you working as a butcher at that time?

Mr. BLOCK. All my life I have been a butcher.

Mr. KENNEDY. Where were you working then at that time?

Mr. BLOCK. I had just left my brother. We had two meat markets, Liberty Avenue and Richmond Hill.

Mr. KENNEDY. Did you know Mr. George Scalise at that time?

Mr. BLOCK. No, sir.

Mr. KENNEDY. Did you ever meet George Scalise?

Mr. BLOCK. During my time of being in the labor movement? Meet him in what respect, Mr. Kennedy?

Mr. KENNEDY. Did you ever make his acquaintance?

Mr. BLOCK. No, sir.

Mr. KENNEDY. You never met him?

Mr. BLOCK. Never socialized with him, if that is what you mean.

Mr. KENNEDY. Did you ever talk to him?

Mr. BLOCK. If I have, I just don't remember.

Mr. KENNEDY. Did he finance your entrance into the labor movement?

Mr. BLOCK. I would like to get that question clearer. What do you mean by "finance," Mr. Kennedy?

Mr. KENNEDY. Just what I said. Did he finance your entrance into the labor movement?

Mr. BLOCK. I don't understand. It doesn't require finances to organize a union, if that is what you mean.

Mr. KENNEDY. When you started local 640, did he put any money into the venture or help you get started?

Mr. BLOCK. No. Here is the way it works, Mr. Kennedy—

Mr. KENNEDY. You don't have to give me a lecture on how it works. We have had some testimony before the committee regarding individuals financing a local union's operation, setting a union up.

Mr. Johnny Dio did it for local 102 in New York. I am asking you if George Scalise did that for you when you started local 640 in New York.

Mr. BLOCK. Mr. Kennedy, you stated all these unkind remarks and that isn't true. I don't know anything about Kennedy, Dio, or Scalise. I had nothing to do with these people whatsoever.

Mr. KENNEDY. Did Mr. Scalise finance—that is all I am trying to find out, Mr. Block? That is the question I asked. Did Mr. Scalise finance your operations in local 640?

Mr. BLOCK. Mr. Kennedy, if you would let me explain, which I think is important for the gentlemen, the Senators, and everybody sitting here, I will tell you how I worked, how I started. I am not interested in anybody else who they started.

The CHAIRMAN. Here is a question. Repeat the question. Answer "yes" or "no" and the Chair will permit you to make any explanation.

Mr. BLOCK. What is the question?

The CHAIRMAN. What is the name of the individual?

Mr. KENNEDY. George Scalise.

The CHAIRMAN. Did George Scalise help you finance the organization of local 640?

Mr. BLOCK. Never, sir. Never.

The CHAIRMAN. All right. Now you have answered. Now proceed.

Mr. BLOCK. Now I will tell you how I started. This was the latter part of 1935. I was in business then. We had two meat markets, as I stated before, Richmond Hill, Long Island. I knew most every employee in the industry, in the packing industry. I worked in it since I was a kid. A half-dozen people came to me. I was a youngster then, and they asked me if I would be interested in trying to get a charter for these people. These were drivers—jobbers, they called themselves. I told them I would try to look into it. I contacted a gentleman by the name of Jack Walsh, another gentleman by the name of Belsky, who were connected with the Amalgamated Meat Cutters.

The only thing required, the only finances required for this kind of a setup, was \$2 a person. With \$2 you get a charter. I possessed—I owned my own car. I worked for many, many weeks without pay. It was a principle with me. I wanted to help these people. I was making a living, sir, and that was it. This is the way it started from that point on.

Mr. KENNEDY. Do you know Louis Marcus?

Mr. BLOCK. Do I know him?

Mr. KENNEDY. Did you know him?

Mr. BLOCK. Are you referring to a gentleman by the name of Marcus as a lawyer?

Mr. KENNEDY. Yes.

Mr. BLOCK. I knew him; yes, sir.

Mr. KENNEDY. Did he have anything to do with the Meat Cutters or the Butchers Union?

Mr. BLOCK. Meat Cutters and Butchers? Do you mean with the organization I was with?

Mr. KENNEDY. Did he have anything to do with that union or with the——

Mr. BLOCK. Not with me.

Mr. KENNEDY. Well, did he have anything to do with the Amalgamated Meat Cutters in any way?

Mr. BLOCK. I knew him, but I did not know his business, not much about his business, except that I knew he was a lawyer.

Mr. KENNEDY. Did you know if he was connected at all with the Amalgamated Meat Cutters in any capacity?

Mr. BLOCK. I don't believe so.

Mr. KENNEDY. He never did any work for them?

Mr. BLOCK. He never did any work for me.

Mr. KENNEDY. Do you know if he ever did any work for any of the other locals?

Mr. BLOCK. He might have done work. I am not too well acquainted with him.

MR. KENNEDY. He testified in the trial of George Scalise—and we already put this into the record—he testified at that time that George Scalise told him, or informed him that he was financing your operation.

MR. BLOCK. He said that?

MR. KENNEDY. Yes.

MR. BLOCK. It was unbeknown to me, sir.

MR. KENNEDY. Did your sister ever work for George Scalise?

MR. BLOCK. Not to my knowledge.

MR. KENNEDY. Have you learned subsequent to the time that she did work for George Scalise?

MR. BLOCK. This question, by the way, was asked my brother some time ago by the investigators. We have since questioned our sister and she told us that she never worked for Scalise.

MR. KENNEDY. When we first questioned your brother, then, if you are familiar with that, he said that his sister did work for George Scalise during the 1930's; is that right?

MR. BLOCK. You will have to get that from my brother. I don't know.

MR. KENNEDY. You were testifying as to what your brother said. I assumed you were familiar with it and questioned your sister. Wasn't it his impression, at least initially, that she did work for George Scalise?

(The witness conferred with his counsel.)

MR. McINERNEY. Could we dispense with the pictures? Could we dispense with the picture taking during the testimony?

THE CHAIRMAN. We will be glad to. The photographers will refrain.

Proceed.

MR. KENNEDY. Wasn't it your impression, or it was your brother's impression, certainly, that at one time your sister did work for George Scalise?

MR. BLOCK. I don't believe it could be.

MR. KENNEDY. You knew nothing about it yourself?

MR. BLOCK. No, sir.

MR. KENNEDY. You were president of what local of the Meat Cutters?

MR. BLOCK. 640.

MR. KENNEDY. For how long were you president? Up till when?

MR. BLOCK. Up until 1953, I believe.

MR. KENNEDY. 1953?

MR. BLOCK. That is correct.

MR. KENNEDY. Then you left that employment?

MR. BLOCK. That is correct.

MR. KENNEDY. Did you have anything to do with the Meat Cutters after that?

MR. BLOCK. I beg your pardon?

MR. KENNEDY. Did you have anything to do with the Meat Cutters Union after that?

MR. BLOCK. After what, 1953?

MR. KENNEDY. 1953.

MR. BLOCK. None whatsoever.

MR. KENNEDY. Nothing to do with them?

Mr. BLOCK. No, sir, not with the Meat Cutters.

Mr. KENNEDY. You had nothing to do with the Meat Cutters Union after 1953?

Mr. BLOCK. What was that again, Mr. Kennedy, please?

Mr. KENNEDY. Did you have anything to do with the Meat Cutters after 1953?

Mr. BLOCK. I said "No," sir.

Mr. KENNEDY. Did you have anything to do with the welfare and pension fund of the Meat Cutters?

Mr. BLOCK. Yes, sir.

Mr. KENNEDY. And that was the welfare and pension funds of the Meat Cutters?

Mr. BLOCK. That is correct.

Mr. KENNEDY. And that is of local 640?

Mr. BLOCK. That is correct.

Mr. KENNEDY. You receive a salary for doing that work, do you?

Mr. BLOCK. Yes, sir.

Mr. KENNEDY. What is your position with the welfare and pension funds of local 640?

Mr. BLOCK. I am a trustee for the union. I am an administrator of the pension, welfare, and the Labor Health Institute.

Mr. KENNEDY. You are a trustee of what?

Mr. BLOCK. Of the funds.

Mr. KENNEDY. You are a trustee of the funds of local 640?

Mr. BLOCK. That is correct.

Mr. KENNEDY. And you are also the administrator?

Mr. BLOCK. That is correct.

Mr. KENNEDY. And you are also the administrator?

Mr. BLOCK. Of the Labor Health Institute.

Mr. KENNEDY. What is the Labor Health Institute?

Mr. BLOCK. Well, it is an interesting question. I have some pictures here I would like to—

Mr. KENNEDY. Just briefly.

Mr. BLOCK. I will talk about it, but I would like the Senators to see it. A story appeared on two pages in the same paper where they had a story about Senator McClellan, and I think it would give a fairly good picture of it.

Mr. KENNEDY. You just tell me what the Labor Health Institute is, just briefly.

Mr. BLOCK. The Labor Health Institute consists of approximately forty-some units. Prior to this institute, we had a small health center, in approximately 1951, and the experience was so good, so much good work was done for the people, that we outgrew it, and 342, which is the Retail Meat Cutters, asked us if we would consider expanding and taking in these people, their people, in conjunction with 640, under this plan.

Mr. KENNEDY. And are you the administrator?

Mr. BLOCK. I originated it. I originally started it.

Mr. KENNEDY. What do you receive as a salary for that work?

Mr. BLOCK. At the Labor Health Institute?

Mr. KENNEDY. Yes.

Mr. BLOCK. \$200 a week gross.

Mr. KENNEDY. And you are getting expenses in addition to that?

Mr. BLOCK. No, I do not.

Mr. KENNEDY. Do you receive any other salary for any work that you do in connection with the welfare and pension funds of local 640?

Mr. BLOCK. Well, I get \$100 of the pension and \$100 of the welfare. I am the only man on the payroll, with the exception of a secretary, a girl.

Mr. KENNEDY. So all together what do you receive?

Mr. BLOCK. Approximately \$400.

Mr. KENNEDY. That is a month?

Mr. BLOCK. That is a week, Mr. Kennedy.

Mr. KENNEDY. \$400 a week. How much does that add up to each year? Do you have those figures there?

Mr. BLOCK. No, I don't have it. I will add it up for you.

Mr. KENNEDY. We have some figures here. You let us know if they are correct, will you?

Mr. BLOCK. Fine.

Mr. KENNEDY. You received in 1955, for your work in connection with these institutions, \$19,250; and expenses of \$2,750, making a total of \$22,000. In 1956, \$19,600 in salary, expenses of \$2,800, for a total of \$22,400. In 1957, \$20,800 as salary, with expenses of \$600.

Mr. BLOCK. I don't believe—

Mr. KENNEDY. That is a total of \$21,400.

Mr. BLOCK. I don't believe it is correct. However, I don't have the figures here with me. I believe the figures that I gave you are more accurate.

Mr. KENNEDY. I see.

The CHAIRMAN. The figure you gave would be \$20,800 in salary. In some of these years, the first 2 years, show less salary than that. They show only \$19,000 plus salary. The last figure shows \$20,800 salary, and you said that is what you received, \$400 a week. It could not be very far off.

Mr. BLOCK. That is approximately, Senator.

The CHAIRMAN. That could not be very inaccurate, based on your own testimony.

Mr. BLOCK. That is approximately. I don't have the right—

Mr. KENNEDY. These figures are taken from your tax return.

Mr. BLOCK. If they are taken from the tax return, they must be right.

Mr. KENNEDY. You also have an interest out at the Deercrest Country Club?

Mr. BLOCK. No, I do not.

Mr. KENNEDY. You don't have any interest in the Deercrest Country Club?

Mr. BLOCK. Not other than a member.

Mr. KENNEDY. What about the Stanwich Crest Realty Corp.?

Mr. BLOCK. I do have an interest.

Mr. KENNEDY. Do they own the property on which the Deercrest Country Club is built?

Mr. BLOCK. That is correct.

Mr. KENNEDY. You went to the Connecticut General Life Insurance Co. for a loan to the Deercrest Country Club? A mortgage.

Mr. BLOCK. No; you have that mixed up. Deercrest has no mortgage.

Mr. KENNEDY. Then the Stanwich. You went to them on the Stanwich?

Mr. BLOCK. Originally, no.

Mr. KENNEDY. Did you go to them in 1956?

Mr. BLOCK. I believe so, yes.

Mr. KENNEDY. At that time, according to a memorandum that we have here, they made some inquiries and had some discussions with you about the amount of time that you spend on your various jobs. Do you remember that, as to whether you could spend some time out at the Deercrest Country Club and the Stanwich Realty Corp.? Do you remember some discussions about that?

Mr. BLOCK. Which discussions?

Mr. KENNEDY. The discussions when you went to the Connecticut Life Insurance Co. in order to secure this loan. Did you have some discussions as to whether you were going to be able to spend your time administering the country club and the realty corporation?

Mr. BLOCK. I have nothing to do with Deercrest, so far as administering is concerned. Stanwich Crest have very little to administer.

Mr. KENNEDY. Did you have some discussions as to the amount of time that you would be able to spend at Stanwich?

Mr. BLOCK. I don't recall.

Mr. KENNEDY. On this memorandum that was written—do you remember your discussions with Mr. Moger, Harry Moger?

Mr. BLOCK. I do not know the gentleman.

Mr. KENNEDY. You don't remember him?

You don't remember him from the Connecticut Life Insurance?

Mr. BLOCK. I can't recall.

Mr. KENNEDY. How much time do you think you spend with your work that you do with the welfare and pension fund, and as administrator of this Labor Health Institute?

How much time do you think you spend each week?

Mr. BLOCK. I can't pin it down to the exact time, Mr. Kennedy. I don't punch a clock. I don't keep track of my time. But I am responsible to the trustees and for the institute to whatever is required of me.

Mr. KENNEDY. Is that a few hours each week or many hours each week?

Mr. BLOCK. Mr. Kennedy, it is more than what you just said. However, I can't pin it down to the exact hours. If I have to put in 8 hours, I put in 8.

Mr. KENNEDY. How much do you think on the average you spend each week?

Mr. BLOCK. I never kept track of it. However, it is a tremendous institute. We serve 25,000 people a year, and I am responsible for the administration, sir. So, therefore, I must be doing a fairly good job.

Mr. KENNEDY. That does not necessarily follow that you are in charge of it, that it must necessarily be doing a good job.

Mr. BLOCK. Sir, it is good.

Mr. KENNEDY. This is a memorandum.

Reuel Dorman stressed the importance of management, the success or failure of a golf course—

this is when you were trying to get a loan from the Connecticut Insurance Co. It says:

Stress the importance of management in the success or failure of a management such as this, and I therefore quizzed Mr. Block as to his intentions regarding management. He told me he had three jobs, an administrator of the institute, management of the Black Angus, and management of this club.

He said the work with the institute took about 15 hours a week, and since all of his time at the Black Angus was spent in the evening, that it left him the majority of each day to spend at the club. He lives in Harrison, which he claims is only 8 or 10 minutes away from the club. Reuel and I think this is a bit of an exaggeration. And, therefore, it was very convenient for him to spend a lot of time here.

In my opinion, based on what I am able to observe during the several hours we spent with Mr. Block, so long as he continues active management of the club, it should be a success.

He did not deny that were a very attractive offer to be made, he would not sell. He did not imply, however, that they were actually looking for a purchaser of the property.

That would make it appear, at least, that at that time you were only spending 15 hours working as administrator of the Labor Health Institute. Would that be about right?

Mr. BLOCK. No, Mr. Kennedy.

Mr. KENNEDY. That is not right?

Mr. BLOCK. Not right.

Mr. KENNEDY. Do you remember telling that to the man when you were trying to get the \$300,000 loan for the country club?

Mr. BLOCK. I can't recall the name of the statement you just read, the letter. Maybe if I see him I would recognize him or know him. But I can't think of the name. I don't even know the gentleman.

Mr. KENNEDY. He represents the Connecticut General Life Insurance Co. You did go to them for a loan, did you not?

Mr. BLOCK. I spoke to a different gentleman.

Mr. KENNEDY. He was recounting an interview.

Yesterday, Reuel Dorman and I met with Mr. Louis Block at the Deercrest Country Club in Stamford, Conn.

Mr. BLOCK. Dorman I do know.

Mr. KENNEDY. Did you tell him at that time that you were only spending 15 hours a week as administrator of this labor health institute?

Mr. BLOCK. I don't remember speaking to the gentleman.

Mr. KENNEDY. Was that about the amount of time that you do spend?

Mr. BLOCK. I don't know. I never keep track of it.

Mr. KENNEDY. That would be about \$30 an hour for each hour that you put in on your work there?

The CHAIRMAN. The witness doesn't deny it. He just says——

Mr. BLOCK. I may be—I am sorry.

The CHAIRMAN. As I understand, you don't deny that that is about the amount of time you spend?

Mr. BLOCK. Well, I may spend a lot more, Senator.

The CHAIRMAN. Do you deny this?

Mr. BLOCK. I did not deny this, and I did not agree to it, sir. I don't know the gentleman who he is talking about.

The CHAIRMAN. I am not talking about knowing him or not knowing him. I said do you deny that is about correct that you spend 15 hours a week at this institute?

Mr. BLOCK. Sir, I may spend 15 one week, 20 the next week, and maybe 30 another week. It depends.

The CHAIRMAN. And maybe five the next?

Mr. BLOCK. Maybe, sir.

The CHAIRMAN. So 15 would be about an average, is that what you are saying?

Mr. BLOCK. I could not say that. I never kept track of it.

The CHAIRMAN. You are not saying that, and yet you don't deny it. You ought to have some idea about it. If you don't want to give us any better answer than that, the record will stand at 15, unless you want to deny it.

Proceed.

Mr. KENNEDY. What about the Black Angus?

Senator CURTIS. Could I inquire at that point on this question: What are the assets of this pension and welfare fund, the gross, just an estimate?

Mr. BLOCK. About 2½ million.

Senator CURTIS. About 2½ million?

Mr. BLOCK. Yes, sir.

Senator CURTIS. And of the labor health institute? How big an operation is that?

Mr. BLOCK. We serve approximately 25,000 people a year.

Senator CURTIS. What is the value of your property?

Mr. BLOCK. I did not get that.

Senator CURTIS. What is the value of the property that belongs to the health institute?

Mr. BLOCK. We do not own the property. It is a leased building. (At this point, Senator Goldwater entered the hearing room.)

Senator CURTIS. What is your annual budget?

Mr. BLOCK. Approximately \$200,000.

Senator CURTIS. \$200,000?

Mr. BLOCK. Yes, sir.

Senator CURTIS. And that is a matter of hospitalization and medical care?

Mr. BLOCK. Senator Curtis, I would like to enlighten you a little more about this institute, so you will understand. This institute is a preventive medicine institute, and it has every type of equipment, modern equipment. We go a little further than preventive. We do some actual medicine work in there. We have the finest X-rays and physiotherapy departments, the finest lab, we have cancer detection equipment. We do quite an extensive job there. In order for it to run efficiently it needs supervision, and I think I am doing a good job.

Senator CURTIS. The pension fund you manage is about \$2½ million, and this health and medical operation is about \$200,000 a year business?

Mr. BLOCK. The institute is maintained by interest, dividends that come back from the insured plan. There is welfare plan and insured plan. From the two organizations it covers approximately the maintenance of this institute.

Senator CURTIS. But it is about a \$200,000 a year operation?

Mr. BLOCK. Approximately, yes, sir.

Senator CURTIS. While I am asking you, I want to get something else straight in my mind. The Stanwich Realty Co. owns the land where the Deercroft Golf Club is located?

Mr. BLOCK. That is correct.

Senator CURTIS. Do they have other assets?

Mr. BLOCK. No, sir.

Senator CURTIS. It is a corporation that owns the country club property?

Mr. BLOCK. That is correct.

Senator CURTIS. How many acres is it?

Mr. BLOCK. There is approximately 145 or so.

Senator CURTIS. About 145?

Mr. BLOCK. That is right.

Senator CURTIS. And this mortgage you got was a real estate mortgage on that?

Mr. BLOCK. I did not get that.

Senator CURTIS. The money you borrowed from Connecticut General Life was a real estate mortgage on this property owned by the Stanwich Realty?

Mr. BLOCK. That is correct.

Senator CURTIS. And the country club is the lessee of the Stanwich Realty, is that right?

Mr. BLOCK. That is right.

Senator CURTIS. And you manage the Stanwich Realty Co.?

Mr. BLOCK. Well, Senator, there is nothing to manage. It is an accountant's work.

Senator CURTIS. Did I understand you only connection with the country club was as a member?

Mr. BLOCK. That is correct.

Senator CURTIS. That is all, Mr. Chairman.

Mr. KENNEDY. In this memorandum, it says that you also do some work at the Black Angus restaurant. Do you have any interest in the Black Angus restaurant?

Mr. BLOCK. I do not, sir.

Mr. KENNEDY. Do any members of your family have an interest in the Black Angus?

Mr. BLOCK. Yes, sir.

Mr. KENNEDY. Who has an interest?

Mr. BLOCK. Two brothers-in-law and my wife.

Mr. KENNEDY. What are your brothers-in-law's names?

Mr. BLOCK. Mr. Harry Gratz.

Mr. KENNEDY. How do you spell his name?

Mr. BLOCK. G-r-a-t-z. And Mac Post.

Mr. KENNEDY. What is your wife's interest?

Mr. BLOCK. Sylvia Block is her name.

Mr. KENNEDY. What is her interest?

Mr. BLOCK. I don't know the exact percentage.

Mr. KENNEDY. Approximately?

Mr. BLOCK. About forty-something. I don't recall exactly.

Mr. KENNEDY. Forty-something percent?

Mr. BLOCK. That is right.

Mr. KENNEDY. The rest is split between Gratz and Mac Post, is that right?

Mr. BLOCK. That is right. She may own a little more. This is not an accurate figure.

Mr. KENNEDY. What?

Mr. BLOCK. It isn't an accurate percentage of what she owns, what I just gave you. She may own a greater percentage, but I don't know exactly.

Mr. KENNEDY. Do you receive any money from the Black Angus restaurant?

Mr. BLOCK. I work there.

Mr. KENNEDY. What is your position there?

Mr. BLOCK. Meat buyer and I do some managing of the kitchen toward evening.

Mr. KENNEDY. What do you receive from there, as far as salary is concerned?

Mr. BLOCK. Approximately \$12,000.

Mr. KENNEDY. Do you have expenses, too?

Mr. BLOCK. No, sir.

Mr. KENNEDY. It would not be closer to \$16,000? It wouldn't be closer to \$16,000?

Mr. BLOCK. Well, if you have my returns, and help refresh my memory, it may be.

Mr. KENNEDY. We have the understanding that you received in 1955, \$16,703, and in 1956, some \$16,700.

Mr. BLOCK. That may be it, if you have that information.

Mr. KENNEDY. When do you report to the Black Angus? About 1 o'clock in the day time?

Mr. BLOCK. No, sir.

Mr. KENNEDY. When do you report?

Mr. BLOCK. Usually about 6:30.

Mr. KENNEDY. And you stay until when?

Mr. BLOCK. It depends, 10, 12, 1 sometimes.

Mr. KENNEDY. Do you have any other sources of income other than administrator of the Labor Health Institute, and as an employee for the Black Angus restaurant?

Mr. BLOCK. Other income: Like interest?

Mr. KENNEDY. Yes.

Mr. BLOCK. Interest of stocks or bonds or something.

Mr. KENNEDY. Yes. Do you have any other stocks or bonds?

Mr. BLOCK. Just what I have stated to the investigators.

Mr. KENNEDY. What do they consist of? Do you have a list there?

Mr. BLOCK. No, I do not.

Mr. KENNEDY. You don't have a list of them?

Mr. BLOCK. No, not with me.

Mr. KENNEDY. I will come back to that. I want to go into the loan that you received from the Connecticut for the Stanwich Crest Realty Corp. What was the final loan that you did receive from them? Did they take a mortgage? Is that right?

Mr. BLOCK. Yes, they did.

Mr. KENNEDY. The Connecticut Insurance Co. took a mortgage?

Mr. BLOCK. That is right.

Mr. KENNEDY. For how much was that?

Mr. BLOCK. I believe about \$350,000.

Mr. KENNEDY. Do they have anything to do with the welfare and pension funds of local 640, the Connecticut Life Insurance Co.?

Mr. BLOCK. They have had the insurance in the hospitalization plan for many years.

Mr. KENNEDY. They have handled it?

Mr. BLOCK. I believe since 1948 or 1949.

Mr. KENNEDY. And they are also a depository of the pension fund, are they?

Mr. BLOCK. That is correct.

Mr. KENNEDY. Did you point out to them when you went to them what a good customer your union had been, in trying to get the loan for the Stanwich Crest Realty Corp.?

Mr. BLOCK. It isn't my union, Mr. Kennedy. It wasn't my choosing of having Connecticut General.

Mr. KENNEDY. Did you point out to them what a good customer the Health Institute or the pension and welfare fund had been, what a good customer they had been of the Connecticut Life Insurance Co. when you went and tried to get the loan for your Stanwich Crest Realty Corp.?

Mr. BLOCK. No, sir.

Mr. KENNEDY. Did you discuss that at all?

Mr. BLOCK. It had no bearing on what I was asking them.

Mr. KENNEDY. The fact that they had handled all these funds of the insurance and the welfare had nothing to do with the fact that you then went to them for the loan of \$350,000 in this company in which you had an interest?

Mr. BLOCK. I would not say that.

Mr. KENNEDY. This, again, is a memorandum of Mr. Moger, in which he states:

During our conversation, I attempted to point out to Mr. Block our money situation, and the tightness of the money market in general. He brushed these comments aside rather abruptly, saying he understood better than I the operating of our company, and he was aware of other matters which made it possible for us to approve this loan.

What did he mean by that, Mr. Block?

Mr. BLOCK. Did I state that?

Mr. KENNEDY. That is what he states.

Mr. BLOCK. I don't recall ever stating anything like that.

Mr. KENNEDY (reading):

He said he realized it was an exception to normal lending practices, but he felt they deserved to be made an exception.

What did you mean by that, Mr. Block?

Mr. BLOCK. I don't recall saying anything of the kind.

Mr. KENNEDY. Why would you deserve to be made an exception, when you wanted the money to build a golf course?

Mr. BLOCK. Mr. Kennedy, I don't recall ever saying anything of the kind.

Mr. KENNEDY. Do you deny that you made such a statement?

Mr. BLOCK. I don't recall ever making that statement.

Mr. KENNEDY. But you don't deny it?

Mr. BLOCK. I don't recall ever making any such statement to anybody.

Mr. KENNEDY. Then it goes on and—

He said it was not only the right thing for us to do for a very good customer of the company, but also was a good business deal since our money was very amply secured. I did not debate the point further with Mr. Block.

He said it was not only the right thing for us to do for a very good customer of the company—

did you point that out to him?

Mr. BLOCK. I don't recall ever making any such statement. Mr. Kennedy, who are you talking about when you say "he"?

Mr. KENNEDY. You, Mr. Block.

Mr. BLOCK. I don't recall ever making such a statement.

Mr. KENNEDY. Do you deny that you made such a statement?

Mr. BLOCK. I don't recall ever making such a statement.

Mr. KENNEDY. But you don't deny it, Mr. Block?

Mr. BLOCK. I don't recall it. I can't say it.

Mr. KENNEDY. You ultimately did receive the loan or they took the mortgage of \$350,000?

Mr. BLOCK. Somewhere around 1956, I believe.

Mr. KENNEDY. Could I ask Mr. Kopecky, Mr. Chairman, what the record shows as to the payments that have been made to the Connecticut Life Insurance Co. since 1949 or 1950?

The CHAIRMAN. Mr. Kopecky has been sworn and can answer from there.

TESTIMONY OF GEORGE KOPECKY—Resumed

Mr. KOPECKY. The records indicate that since 1949 local unions 342 and 640 have paid over \$5,400,000 in premiums to the Connecticut General Life Insurance Co. to administer the pension and welfare funds.

The CHAIRMAN. How much?

Mr. KOPECKY. Over \$5,400,000.

The CHAIRMAN. Over what period of time?

Mr. KOPECKY. From 1949 through 1957.

The CHAIRMAN. A period of 8 years?

Mr. KOPECKY. Yes, sir.

The CHAIRMAN. That is premiums?

Mr. KOPECKY. Yes, sir.

The CHAIRMAN. All right.

TESTIMONY OF LOUIS BLOCK—Resumed

Mr. KENNEDY. In order to also finance your country club, have you also gone to certain employers, individual companies, that have contracts with the meat cutters?

Mr. BLOCK. I don't get that question.

Mr. KENNEDY. You made an approach, obviously, to the Connecticut General Life Insurance Co., which handled your insurance, and got from them a mortgage of \$350,000. Now I am asking you whether you also for the Deercrest Country Club or for the Stanwich Crest Realty Corp., also make an approach to employers who have contracts with the local union, the Meat Cutters Union, to see if they would invest any money in either the country club or the realty corporation.

Mr. BLOCK. There is less than a handful of men that I have talked to.

Mr. KENNEDY. Just answer the question. Have you done that?

Mr. BLOCK. I have nothing to do with the union that you are referring to, sir. They are personal friends in the industry that I know. I have been all my life in it.

Mr. KENNEDY. You can give an explanation. Have you?

Mr. BLOCK. Yes. I have spoken to about a handful of men; yes, sir.

Mr. KENNEDY. And amongst them are Mr. Steinmann, is that right, Moe Steinmann? Of Daitch-Crystal Dairies?

Mr. BLOCK. Mr. Kennedy, Mr. Steinmann is not an employer.

Mr. KENNEDY. Daitch-Crystal Dairies?

Mr. BLOCK. Steinmann is an employee.

Mr. KENNEDY. What about the Daitch-Crystal Dairies?

Mr. BLOCK. What about them?

Mr. KENNEDY. Don't they have a contract with the Butchers Union?

Mr. BLOCK. I wouldn't know, sir.

(At this point, Senator Ervin entered the hearing room.)

Mr. KENNEDY. What about Irving Tabak, do you know him?

Mr. BLOCK. He is a very good friend of mine.

Mr. KENNEDY. He has contracts?

Mr. BLOCK. I wouldn't know his dealings. I wouldn't know what contracts.

Mr. KENNEDY. What business is he in?

Mr. BLOCK. It is partly meat and food.

Mr. KENNEDY. Then you must know that he is organized by your union, by the Meat Cutters?

Mr. BLOCK. By what union, sir?

Mr. KENNEDY. I am calling it your union, because you have such a close connection with it, but I will call it the Meat Cutters Union, if you would rather.

Mr. BLOCK. I have no connection with the union. I am not a union official.

Mr. KENNEDY. Did you know that Mr. Tabak had contracts with the Meat Cutters local?

Mr. BLOCK. I guess I do.

Mr. KENNEDY. Did you ever talk to Mr. Max Block, your brother, about Mr. Tabak's contribution, in this \$5,000 bond investment in the Deercrest Country Club?

Mr. BLOCK. Sir, is it a contribution or an investment?

Mr. KENNEDY. Well, we call it whatever you would like. What do you think it is?

Mr. BLOCK. Well, I would like to give you an explanation. I had talked to Mrs. Tabak who is a good friend of ours. I told her about an investment on which she could get a good return. She had discussed this with her husband and was glad to make her investment.

Mr. KENNEDY. They took what, a \$5,000 bond investment?

Mr. BLOCK. I think they did.

Mr. KENNEDY. Did you talk to Max Block at all about it?

Mr. BLOCK. Max Block? I haven't discussed anything with Max Block pertaining to these dealings.

Mr. KENNEDY. You did not?

Mr. BLOCK. No, sir.

Mr. KENNEDY. Never mentioned it?

Mr. BLOCK. No, sir.

Mr. KENNEDY. What about Breslau Packing & Unloading Co., Harry Breslau. Did you talk to him?

Mr. BLOCK. Yes, sir.

Mr. KENNEDY. What does Breslau Packing & Unloading Co. do? What business is he in, Harry Breslau?

Mr. BLOCK. He is in the unloading business.

Mr. KENNEDY. Unloading what?

Mr. BLOCK. Meats.

Mr. KENNEDY. Do they have a contract with the Meat Cutters?

Mr. BLOCK. I know that they are organized. I don't know anything about it.

Mr. KENNEDY. You don't know that they have a contract with the Meat Cutters?

Mr. BLOCK. They are organized. They must have a contract.

Mr. KENNEDY. Did you talk about that to Max Block?

Mr. BLOCK. I have not discussed anything with Max Block pertaining to your question.

Mr. KENNEDY. How come he happened to make a \$5,000 bond investment?

Mr. BLOCK. Breslau is a personal friend of mine. We socialize with the family. I am free to talk to him on any project that I would be interested in.

Mr. KENNEDY. And Charles Hausserman, he made a \$25,000 loan. Did you approach him?

Mr. BLOCK. Yes, sir.

Mr. KENNEDY. What is his business?

Mr. BLOCK. They are in the rendering, sir.

Mr. KENNEDY. Do they have a contract with the Meat Cutters' Union?

Mr. BLOCK. I guess they have.

Mr. KENNEDY. You don't know that?

Mr. BLOCK. Well, they have always had a contract. They are organized.

Mr. KENNEDY. Did you discuss that with Max Block?

Mr. BLOCK. I never discussed anything with Max.

Mr. KENNEDY. Then you went to the international union. Did you have any conversations with the international union about getting a \$25,000 bond investment?

Mr. BLOCK. I would like to answer the previous question, to clarify it a little better on Hausserman. They are in the rendering business, and it is a practice in the rendering business to make loans to practically 80 percent of their accounts. We asked them for a loan on a 5-year basis, and a monthly, to deduct whatever they take out in the waste, that is, grease, or whatever waste there is, and to make the difference to \$500 as payments back to the company. I personally signed for that loan.

Mr. KENNEDY. And you say they do have a contract with the Butchers?

Mr. BLOCK. I suppose so.

Mr. KENNEDY. When you were with 640, didn't you, yourself, negotiate some of the contracts with this man, Charles Hausserman?

Mr. BLOCK. Yes, sir. I know him for many years.

Mr. KENNEDY. So you know that they have a contract with them?

Mr. BLOCK. I suppose they have.

Mr. KENNEDY. Then the International Butchers put up \$25,000 for your country club. Did you discuss that with anybody in the international union?

Mr. BLOCK. I spoke to Pat Gorman about that. I asked him to invest. They have surplus money. I told him that they can get a good return on the money. He said he would see what he can do about it.

Mr. KENNEDY. Did you speak to Max about that one?

Mr. BLOCK. I did not. But later on I found out that Mr. Gorman had spoken to Max Block.

We got the \$25,000 for debentures, on which we pay 5 percent.

Mr. KENNEDY. What was that? \$25,000?

Mr. BLOCK. Yes, for debentures.

(At this point, Senator McClellan withdrew from the hearing room.)

Mr. KENNEDY. We have the \$25,000, for the Deercreek Country Club, we got \$25,000 from the international union, a \$25,000 loan from Charles Hausserman, who is an employer, and then Lippel, I. Lippel, made a \$36,000 bond investment.

Who is Mr. Lippel?

Mr. BLOCK. A relative.

Mr. KENNEDY. Does he have anything to do with the union?

Mr. BLOCK. No, sir.

Mr. KENNEDY. He has nothing to do with the union. And then from the Breslau Packing & Unloading Co., \$5,000 bond investment; Irving Tabak, \$5,000, and he is an employer also, and Moe Steinmann—we were talking about Moe Steinmann.

Who is he?

You got a \$5,000 bond investment from him. Who is he?

Mr. BLOCK. He is a friend of mine.

Mr. KENNEDY. Does he have anything to do with any company which has contracts with the union?

Mr. BLOCK. I know very little about that. Apparently he does deal with unions.

Mr. KENNEDY. Don't you know that he deals with the Meat Cutters?

Mr. BLOCK. He deals with more than one union.

Mr. KENNEDY. Just answer that question. Don't you know that he deals with the Meat Cutters Union?

Mr. BLOCK. Yes, they do, I believe.

Mr. KENNEDY. In fact, he is director of labor relations with this company.

Mr. BLOCK. I believe he has that title.

Mr. KENNEDY. And signs the contracts.

Mr. BLOCK. That I don't know.

Mr. KENNEDY. And then the Tower Insurance Agency, Samuel Platt, that is a \$9,000 bond investment.

Do they have anything to do with the union, the Tower Insurance Agency?

Mr. BLOCK. Do they have anything to do with—

Mr. KENNEDY. With the union. Do they have anything to do with your administration?

Mr. BLOCK. It is an insurance company, sir.

Mr. KENNEDY. Do they have contracts with the union? Do they have a financial arrangement with the union?

Mr. BLOCK. They have no contracts to my knowledge.

Mr. KENNEDY. Do they have a financial arrangement with the union?

Mr. BLOCK. How do you mean that?

Mr. KENNEDY. Well, do they have any financial dealings of any kind with the union? Is that broad enough?

Mr. BLOCK. Do you mean do they sell insurance to the unions?

Mr. KENNEDY. All right. Do they?

Mr. BLOCK. Is that what you mean, Mr. Kennedy?

Mr. KENNEDY. I am asking if they have any kind of financial transactions dealing in any kind with the union. Do they or don't they?

Mr. BLOCK. I do know that they sell insurance.

Mr. KENNEDY. To the union?

Mr. BLOCK. Yes, sir.

Mr. KENNEDY. Whom did you talk to in that agency about making an investment in your country club?

Mr. BLOCK. There is one man that I know in there, and that is Mr. Platt.

Mr. KENNEDY. Mr. Platt?

Mr. BLOCK. That is right.

Mr. KENNEDY. And doesn't he handle the insurance—isn't he the agent who handles the insurance for the union?

Mr. BLOCK. Yes, sir.

Mr. KENNEDY. And they made a \$9,000 bond investment; isn't that right?

Mr. BLOCK. I don't recall the figures, but it must be around that figure.

Mr. KENNEDY. Is it just a coincidence that all the individuals and companies that were approached who made investments in your country club were employers or were those who had important financial dealings with your union, such as the insurance company and the insurance agent?

(At this point, Senator McClellan entered the hearing room.)

Mr. BLOCK. Mr. Kennedy, we don't discriminate against butchers. There is about a handful of members there that happen to be meatmen, who are personal friends of mine for many, many years. I would not hesitate to talk about anything to them in a nice, friendly manner. They are friends of mine.

Mr. KENNEDY. Of course, your union had contracts with these employers. There is a relationship between the employer and a labor union which puts the employer at somewhat of a disadvantage if the union official or somebody connected with the union approaches them for a financial loan.

That, of course, is recognized by the Ethical Practices Committee, which forbids this kind of arrangement.

Mr. BLOCK. First, you are connecting unions with me and that isn't correct, because I had nothing to do with the unions, sir. That is No. 1.

Mr. KENNEDY. Your brother had a very important position with the union, and you still have a position with the union's welfare and pension fund, which certainly connects you with the union.

Mr. BLOCK. My position at the welfare and pension is an appointment by industry and labor. I don't have anything to do with the running of negotiations or any part of the union business.

Mr. KENNEDY. Mr. Block, it shows clearly from the memorandum from the insurance company that you were putting pressure on them to loan \$350,000. You recognize that it was an unusual loan.

Then we go to the rest of those who made contributions—or investments, rather—in your country club, and we find that they are all employers or the insurance agent, the Tower Insurance Agency, the

broker. It would seem to me that the record would be very clear as to your position in the matter.

Mr. BLOCK. Mr. Kennedy, I have never put pressure on anyone for anything. You must realize that there was a first mortgage by an individual prior to their mortgage. The mortgage is as good as any mortgage in any business.

The property is worth $2\frac{1}{2}$ to 3 times as much as their mortgage. Our obligations are met quarterly, and I don't see, when you refer to pressure—you don't put pressure on any company, insurance or otherwise.

Mr. KENNEDY. You said here—you were certainly trying to put pressure:

He said he realized it was an exception to normal lending practices, but he felt they should be allowed to be an exception. He said it was not only the right thing for us to do for a very good customer of the company.

Your company was not a customer of the company; your union was a very good customer of the company and you were taking advantage of it.

Mr. BLOCK. I beg your pardon. I don't recollect saying anything of the kind to the gentleman you are referring to, and I don't know who the gentleman is.

Mr. KENNEDY. I gave you an opportunity to deny that you said it. You didn't deny it.

He said he realized it was an exception to normal lending practices, but he felt they deserved to be an exception. He said it was not only the right thing to do for a customer of the company.

Mr. BLOCK. If I could see the gentleman—I don't want to fight with you on that point, but I don't recall making a statement of this kind to anybody.

Mr. KENNEDY. Facts are facts, and the fact is that they then loaned you a mortgage; that the insurance broker who handles the insurance for the union made a \$9,000 bond investment; that you had 6 other investments; that out of the 6, 4 were employers, and 1 was a relative, and the other investment was by the international union, which was making an investment in your private company.

Those facts speak for themselves.

Mr. BLOCK. Mr. Kennedy—

Mr. KENNEDY. Mr. Block.

Mr. BLOCK. These are personal friends, a handful of friends, out of a hundred people.

Mr. KENNEDY. They happen to be also individuals and companies that have contracts with your union. We have had testimony before this committee that they received favored treatment.

Mr. BLOCK. Mr. Kennedy—

Mr. KENNEDY. Yes, Mr. Block?

Mr. BLOCK. It isn't my union. Please, I have nothing to do with the union. When I banked my money in a bank, and if I want a loan, I would go to the bank that I know, the people that I know. I wouldn't go to a strange bank. I knew the people and therefore I went to them.

Mr. KENNEDY. And you pointed out that you had been good customers of the people.

Mr. BLOCK. I said nothing—I don't remember saying anything of the kind, sir.

Mr. KENNEDY. You say you have nothing to do with the union? Is that right?

Mr. BLOCK. That is correct.

Mr. KENNEDY. Did you receive notification that the union was taking out an annuity policy for you, after you left the union?

Mr. BLOCK. When was that, sir; what year?

Mr. KENNEDY. 1955.

Mr. BLOCK. I knew it after it happened.

Mr. KENNEDY. And that was when you had nothing to do with the union?

Mr. BLOCK. Yes, sir; that is right.

Mr. KENNEDY. According to the records, they paid some \$30,834 for an annuity policy for you since 1955, up until 1957. You had nothing to do with the union?

Mr. BLOCK. After 20 years of service I was grateful for what they did. I didn't ask for it, but they did it.

Mr. KENNEDY. Mr. Kopecky, what are the arrangements that are made on this policy that was arranged for Mr. Louis Block?

Mr. KOPECKY. This is a \$70,000 face policy, and a total of \$10,000 each year, a total of \$10,278 would be paid by local union 640, each and every year, until the full face amount is paid, and this will provide at age 55 for Mr. Louis Block to receive \$500 a month as a retirement.

The CHAIRMAN. How old are you now?

Mr. BLOCK. I beg your pardon?

The CHAIRMAN. How old are you now?

Mr. BLOCK. I was 47 last February, Senator.

The CHAIRMAN. How much is the union committed to paying each year as a premium on this?

Mr. KENNEDY. \$10,278.

The CHAIRMAN. That will have to be paid until he is 55 years old?

Mr. KOPECKY. Until a total of \$70,000 is paid.

The CHAIRMAN. Until a total of \$70,000 is paid?

Mr. KOPECKY. Yes, sir.

Mr. BLOCK. Senator McClellan, the union is the beneficiary, as I understand.

The CHAIRMAN. I don't know.

Who is the beneficiary? Who gets the money when he gets to be 55 years old?

Mr. KOPECKY. When he is 55, that is when Mr. Block receives the \$500 a month.

The CHAIRMAN. In case he should die before reaching that age, who gets the money? That is what he means.

Mr. KOPECKY. The union.

The CHAIRMAN. So they have an investment in him up until he reaches 55, and then it is his?

Mr. KOPECKY. That is right.

Mr. KENNEDY. Are you familiar with the Ethical Practices Code, Mr. Block?

Mr. BLOCK. I am pretty ethical myself.

Mr. KENNEDY. I am sure you are, Mr. Block. I just wondered whether you happened to be familiar with the codes. Are you?

Mr. BLOCK. To a degree.

Mr. KENNEDY. I will read you this code. There are a number here that apply to some of the things we have been discussing. I will read you a few of them.

"No union official, employee, or other person—" why don't you read it, Mr. Kopecky?

Mr. KOPECKY. This appears as item 2 on page 20 :

No union official, employee or other person acting as agent or representative of the union, who exercises responsibilities or influence in the administration of welfare programs, or the placement of insurance contracts, should have any compromising personal ties, direct or indirect, with outside agencies, such as insurance carriers, brokers, or consultants doing business with the welfare plan. Such ties cannot be reconciled with the duty of a union official who is to be guided solely by the best interests of the membership in any transactions with such agencies.

Any union official found to have such ties to his own personal advantage or to have accepted fees, inducements, benefits or favors of any kind from any such outside agency, should be removed. This principle, of course, does not prevent the existence of a relationship between a union officer or employee and an outside agency where, (a) no substantial personal advantage is derived from the relationship and (b) the outside agency is one in the management of which the union participates as a union for the benefit of its members.

Mr. KENNEDY. This was passed back about a year ago. Did you take any steps then to disassociate yourself from the Stanwich Crest Realty Corp.?

Mr. BLOCK. Mr. Kennedy—

Mr. KENNEDY. Mr. Block.

Mr. BLOCK. I am not a union official in the first place.

Mr. KENNEDY (reading) :

No union official, employee or other person acting as agent or representative of a union who exercises responsibility or influence in the administration of welfare programs or the placement of insurance contracts—

Certainly that fits you.

Mr. BLOCK. It is a matter of opinion. May I express myself?

On the placement of insurance, I am not the sole judge on that. The trustees have a lot to say. As a matter of fact, they have all to say about placing any insurance. I don't do anything on my own. I don't consider myself a union official, for several years now. I don't have any contracts or negotiations with any employer whatsoever. My project, the realty corporation, has nothing whatsoever to do with the position that I hold as an administrator of the institute and trustee of the welfare and pension plan.

Mr. KENNEDY. Mr. Block, obviously it does or you would not—from the face of it you would not have gotten the \$350,000 from the insurance company. You got \$350,000 from them, you got \$9,000 from the broker, and you got 3 or 4 investments from employers. Obviously it has something very much to do with it. There is a very close connection.

Mr. BLOCK. Mr. Kennedy, you make it appear as if I received all that money, just got that money as a contribution of something. That is not so.

These are investments by the people who are personal friends. It happens that they happen to be in the industry, which we don't discriminate, and I don't care what industry they are from.

They happen to be butchers, meatmen, but there is nothing unethical about my practice. I have always been ethical about my position prior to the group of the labor movement who passed this ethical practice bill.

I have used ethics all my life.

The CHAIRMAN. As I understand you, you administer the welfare fund. Do you?

Mr. BLOCK. Yes, sir.

The CHAIRMAN. Do you exercise any influence over where the money is invested in insurance?

Mr. BLOCK. I just want to get this question straight, sir.

The CHAIRMAN. I say, do you exercise any influence or have any responsibility with how that money is invested as you administer the fund?

Mr. BLOCK. I personally? No, sir.

The CHAIRMAN. What does an administrator do?

Mr. BLOCK. I may make a recommendation, sir, but the trustees must pass upon it.

The CHAIRMAN. A recommendation is intended to have influence; isn't it?

Mr. BLOCK. Not all the time.

The CHAIRMAN. You make a recommendation without intending it to have any influence?

Mr. BLOCK. I express my feelings, my knowledge. If they want to accept it, it is perfectly all right. If they don't, it is perfectly all right, too, sir.

The CHAIRMAN. It may be all right, but the purpose of administering, and your capacity of making recommendations, is to have influence; is it not?

Mr. BLOCK. I wouldn't say that, Senator.

The CHAIRMAN. We will not quibble about it. I do not see how you can say you are administrator of the fund and you make recommendations as to how it should be invested, and then say you have nothing to do with it.

Mr. BLOCK. Senator, may I make an observation?

The CHAIRMAN. Yes.

Mr. BLOCK. Connecticut General Life had the insurance since 1949. We have had many bids, there have been many people looking for the insurance. If we had any company that would do better where the welfare could benefit by it, we would have been very happy to turn it over. I am speaking for myself and the trustees.

The CHAIRMAN. That could be true. That is your duty. That is what I am pointing out. You do have the influence over that fund.

Mr. BLOCK. Only on recommendation, if they want to accept my recommendation.

The CHAIRMAN. Well, do they usually accept your recommendation?

Mr. BLOCK. I would not say that; no, sir.

The CHAIRMAN. Would you say they don't?

Mr. BLOCK. They will listen to me.

The CHAIRMAN. Don't they accept your recommendations?

Mr. BLOCK. Senator, here is the way we work it. We sit and discuss it, and if my recommendation is sound and proper, they will go along with me.

The CHAIRMAN. Then they accept it, when they go along with you?

Mr. BLOCK. My realizations are not always proper or good. We can all make mistakes.

The CHAIRMAN. You are admitting now they are not good. I was not charging that they were not good. I was assuming that they were good.

Mr. BLOCK. I could not be perfect, sir.

The CHAIRMAN. You have not been quite perfect?

Mr. BLOCK. I beg your pardon?

The CHAIRMAN. You say you have not been quite perfect?

Mr. BLOCK. Well, perfect is a broad statement.

The CHAIRMAN. So is good.

Mr. BLOCK. I have been good, but I have not been perfect.

Senator ERTX. There is one observation I would like to make at this point. You are certainly unique. You are the only human being I have ever seen so far in my life who will testify under oath that he made a recommendation but did not intend it to be accepted.

The CHAIRMAN. I think that will speak for itself. Senator Curtis?

Senator CURTIS. How much is the total amount that Connecticut General Life has loaned Stanwich Realty Co. on this land?

Mr. BLOCK. How much was the mortgage, sir?

Senator CURTIS. Yes.

Mr. BLOCK. Well, it is down to about 300—

Senator CURTIS. How much was it when they made the loan?

Mr. BLOCK. The original loan? 350, sir.

Senator CURTIS. That was the greatest amount they ever loaned?

Mr. BLOCK. That is correct.

Senator CURTIS. Was there an appraisal in connection with that loan?

Mr. BLOCK. Sir, it took about 2 months before it was consummated.

Senator CURTIS. Was the property appraised?

Mr. BLOCK. Yes, sir.

Senator CURTIS. Who made the appraisal?

Mr. BLOCK. The company.

Senator CURTIS. Do you know what they appraised it at?

Mr. BLOCK. I believe they figured it at about two and a half times the worth. I want to make this a little clearer so you will understand. There was an original mortgage of 250 when the property was bare, undeveloped. When it was developed a year later, a year and a half, the property was worth a lot more. That is how we were able to get a larger mortgage. Originally it was by an individual and never went to the insurance company. I don't believe they would have given me a mortgage originally.

The property was undeveloped.

Senator CURTIS. I read that memorandum. Have you read it?

Mr. BLOCK. No, sir. I don't know anything about it, except what the counsel read.

Senator CURTIS. It would indicate that the property was appraised.

Mr. BLOCK. I did not get that, sir.

Senator CURTIS. The memorandum would indicate that the property was appraised.

Mr. BLOCK. Was appraised?

Senator CURTIS. Yes.

Mr. BLOCK. Yes, sir.

The CHAIRMAN. Is there anything further?

Mr. KENNEDY. Yes. Do you know who recommended that you receive this annuity? Do you know who recommended that you receive the annuity?

Mr. BLOCK. I didn't know at the time. I didn't know anything about it.

Mr. KENNEDY. Did you learn subsequently?

Mr. BLOCK. Yes, sir.

Mr. KENNEDY. Who recommended you for it?

Mr. BLOCK. I don't know who recommended it.

Mr. KENNEDY. Who suggested it?

Mr. BLOCK. This had to go before their executive board.

Mr. KENNEDY. Mr. Block, I asked you a question. You said you learned. Who did it?

Mr. BLOCK. One of the board members came to the institute. He was ill the following day, and he told me about what transpired the night before they took this question up, and he said they have to go to the membership.

Mr. KENNEDY. This was a complete surprise to you?

Mr. BLOCK. That is correct.

Mr. KENNEDY. Who recommended that you receive it?

Mr. BLOCK. I don't know.

Mr. KENNEDY. You don't know?

Mr. BLOCK. I still don't know.

Mr. KENNEDY. Would you be surprised to hear that it was your brother?

Mr. BLOCK. No, I wouldn't be surprised.

Mr. KENNEDY. It states here:

Resolved, That whereas brother Max Block had such necessary and pertinent discussion and had determined that the union should fund such pension and retirement programs for brother Louis Block and Harold Lippel in accord with an agreement to be signed between the union and brother Louis Block and Harold Lippel.

He never mentioned that he was going to suggest you?

Mr. BLOCK. No, sir.

Mr. KENNEDY. Do you know who receives the commissions on these annuities that you receive?

Mr. BLOCK. I am not sure. I believe Connecticut General has the insurance.

Mr. KENNEDY. Connecticut General has the insurance. Do you know who receives the commission?

Mr. BLOCK. I wouldn't know that.

Mr. KENNEDY. Mr. Platt, of the Tower Insurance Agency, receives the brokerage commission.

Mr. BLOCK. Then he must be the agent for it.

Mr. KENNEDY. He is the agent for it; yes, sir.

The CHAIRMAN. How much does he receive?

Mr. KENNEDY. He received approximately \$3,900 in 1956 and 1957.

The CHAIRMAN. Each year?

Mr. KENNEDY. No, the total. Of course, that is the insurance broker agency which has made the \$9,000 investment in the country club.

The CHAIRMAN. How much will he continue to get each year as commissions?

Mr. KENNEDY. We do not have those figures.

Did Max Block arrange for you to secure some of this Food Fair property stock?

Mr. BLOCK. No, sir. I bought approximately, from Max Block, \$3,000 worth.

Mr. KENNEDY. Had Mr. Stein discussed that with you prior to your receiving it?

Mr. BLOCK. I have no dealings with these people.

Mr. KENNEDY. The only one you discussed it with was Max Block; is that right?

Mr. BLOCK. I did not discuss it. He offered to sell \$3,000 worth. He needed the money, and I bought it.

Mr. KENNEDY. Do you know if he in turn had received it from the Food Fair Co.?

Mr. BLOCK. I don't know anything about that.

Mr. KENNEDY. How many rights did you receive for the bonds?

Mr. BLOCK. I have given my records to the investigators. I know the amount of money I paid was \$3,000.

Mr. KENNEDY. The rights that you received, according to our records, were worth approximately \$900, which you received gratis, for which you paid nothing.

Mr. BLOCK. I couldn't tell you at this moment, but they have the records.

Mr. KENNEDY. Could you testify to that, Mr. Kopecky, that the rights he received were worth \$900?

Mr. KOPECKY. On or about September 29-30, 1955, the Food Fair stores organization transferred 1,200 rights for the benefit of Mr. Louis Block, and 3,600 rights to the benefit of Mr. Max Block, and subsequently \$12,000 of bonds were purchased by Mr. Max Block, and thereafter Louis Block reimbursed his brother in the amount of \$3,000. Thereafter, the attorney for the Food Fair stores organization directed the stock brokerage firm to deliver the bonds directly to Mr. Louis Block.

Mr. KENNEDY. How much were they worth at the time he paid \$3,000 for them?

Mr. KOPECKY. They were worth approximately \$4,200, at which time he paid \$3,000.

Mr. KENNEDY. Do you also own some stock in the A. & P. Co.?

Mr. BLOCK. I?

Mr. KENNEDY. Yes.

Mr. BLOCK. Yes, sir.

Mr. KENNEDY. When did you purchase that stock?

Mr. BLOCK. Well——

Mr. KENNEDY. October 1957?

Mr. BLOCK. That may be the date.

Mr. KENNEDY. Did you talk to anybody from the A. & P. Co., regarding the purchase of that A. & P. stock?

Mr. BLOCK. No, sir. I don't know anybody at the A. & P.

Mr. KENNEDY. Did Max Block arrange for you to purchase that A. & P. stock?

Mr. BLOCK. No, sir. I bought this from my broker.

Mr. KENNEDY. Do you know Mr. Max Raddock?

Mr. BLOCK. Yes.

MR. KENNEDY. How long have you known Max Raddock?

MR. BLOCK. Many years. Twenty-some-odd years, or closer to 30 years.

MR. KENNEDY. What is his business at the present time—Mr. Raddock?

MR. BLOCK. Well, he is in the printing business, newspaper.

MR. KENNEDY. What is his newspaper called?

MR. BLOCK. The Courier.

MR. KENNEDY. What is his company called?

MR. BLOCK. World Wide Press.

MR. KENNEDY. World Wide Press Syndicate, is it?

MR. BLOCK. I believe so.

MR. KENNEDY. And his paper is the Trade Union Courier?

MR. BLOCK. That is correct.

MR. KENNEDY. Does he handle any of the printing for the Meat Cutters?

MR. BLOCK. I believe he does.

MR. KENNEDY. Did he while you were there with local 640?

MR. BLOCK. Yes, sir.

MR. KENNEDY. Did you also subscribe to his newspaper? That is, to Mr. Raddock's newspaper?

MR. BLOCK. You are talking about a few years back when I was there, is that it?

MR. KENNEDY. Yes.

MR. BLOCK. That was adopted—accepted as the official organ of the organization.

MR. KENNEDY. And his company did most of the printing for the Meat Cutters during that time?

MR. BLOCK. At that time, I believe he did most of the printing.

MR. KENNEDY. Did you purchase any bonds in his organization?

MR. BLOCK. Mr. Kennedy, I want to correct the statement from before. At the time I was with the organization, I don't believe Raddock or World Wide Press had their own printing plant. What he did have—I don't know where he printed it—only had a newspaper that he was writing, labor newspaper.

MR. KENNEDY. You received that newspaper at that time? You subscribed to the newspaper, your union subscribed to the newspaper?

MR. BLOCK. That was accepted as the official organ of the organization at that time.

MR. KENNEDY. My question is: Did you purchase or receive any bonds in any of the companies which he owned?

MR. BLOCK. Mr. Kennedy, when? At that time?

MR. KENNEDY. Any time. Have you at any time?

MR. BLOCK. Yes. 1950.

MR. KENNEDY. What did you do at that time?

MR. BLOCK. I bought debentures of Mr. Raddock, of World Wide Press, I should say.

MR. KENNEDY. In World Wide Press?

MR. BLOCK. Personally, yes.

MR. KENNEDY. And how much did you buy?

MR. BLOCK. Approximately 10,000.

MR. KENNEDY. Did any other members of your family buy some also?

Mr. BLOCK. Yes.

Mr. KENNEDY. Who was that?

Mr. BLOCK. My mother had bought 4,000 or 5,000.

Mr. KENNEDY. This was in 1950, did you say, or when?

Mr. BLOCK. 1950 or 1951. I don't recall the exact date.

Mr. KENNEDY. How did you pay for those bonds, first as far as your own bonds were concerned?

Mr. BLOCK. With money, sir.

Mr. KENNEDY. Did you pay for them by check or cash?

Mr. BLOCK. I must have paid it by check.

Mr. KENNEDY. Do you know that you paid it by check?

Mr. BLOCK. I am almost positive.

Mr. KENNEDY. You gave him a check for how much? \$11,000?

Mr. BLOCK. No, I did not. I believe the payments were made in 2 or 3 payments.

Mr. KENNEDY. At various times?

Mr. BLOCK. Within a short space of time.

Mr. KENNEDY. And did you also pay for your mother's bonds that she purchased from Mr. Raddock?

Mr. BLOCK. No, my mother paid it herself.

Mr. KENNEDY. Do you know whether she paid by check or by cash?

Mr. BLOCK. I have no knowledge of that.

Mr. KENNEDY. On what bank accounts did you pay for the \$11,000 worth that you purchased.

Mr. BLOCK. I can't be sure. I have checked with my banks but I can't seem to get the old records back from the banks. I have been down a number of times. It could have been Manufacturers Trust. Or it could have been some other bank.

Mr. KENNEDY. You are sure that you paid by check, are you, Mr. Block?

Mr. BLOCK. I am pretty sure.

Mr. KENNEDY. You are not positive?

Mr. BLOCK. Well, I am pretty sure that I paid by check.

Mr. KENNEDY. Could it have been that you didn't pay for them at all, and that Mr. Raddock gave them to you?

Mr. BLOCK. No, that couldn't have been, Mr. Kennedy.

Mr. KENNEDY. Mr. Raddock didn't give you those bonds?

Mr. BLOCK. No, sir.

Mr. KENNEDY. He did not?

Mr. BLOCK. No, sir.

Mr. KENNEDY. Did he give your mother the bonds that she received also? Did you arrange for your mother to be given bonds by Mr. Raddock?

Mr. BLOCK. Well, you see, sir, my mother was very close with his family, so her transaction was direct with him. They knew one another very well. She knew him since he was a little boy.

Mr. KENNEDY. You had nothing to do with this transaction?

Mr. BLOCK. I have asked my mother. I told her it was a good investment.

Mr. KENNEDY. But you had nothing to do with the transaction itself? You didn't arrange for it?

Mr. BLOCK. No. Mother paid for it.

Mr. KENNEDY. Do you know if Mr. Raddock gave those bonds to your mother?

Mr. BLOCK. Yes, sir.

Mr. KENNEDY. Did your mother pay for them?

Mr. BLOCK. Yes, sir.

Mr. KENNEDY. Do you know that she paid for them?

Mr. BLOCK. Of course she paid for them. She couldn't have gotten them unless she paid for them.

Mr. KENNEDY. No, unless he gave them to her.

Mr. BLOCK. What reason would he have for that?

Mr. KENNEDY. Maybe gratitude.

Mr. BLOCK. For what, sir?

Mr. KENNEDY. Gratitude, perhaps, for his relationship with you, if you want to ask me.

Mr. BLOCK. I beg your pardon. I haven't received anything of anybody at any time.

Mr. KENNEDY. Do you have the checks which you used to pay for the bonds? Do you have the checks?

Mr. BLOCK. Who?

Mr. KENNEDY. You.

Mr. BLOCK. No, sir; I don't have them. I have been examined by Revenue for a number of years, and I wouldn't have the old—I have told it to your people. I wouldn't have these old records. When I went to the bank, the best thing I can get is a statement of 1950.

Mr. KENNEDY. You talked about why he might do this. I am wondering if the welfare fund has had any transactions with Mr. Raddock, any financial transactions.

Mr. BLOCK. Like printing?

Mr. KENNEDY. Well, did they ever make any kind of a loan to Mr. Raddock?

Mr. BLOCK. Yes.

(At this point, members of the committee present are as follows: Senators McClellan, Ervin, Curtis, and Goldwater.)

Mr. KENNEDY. How much of a loan did they make?

Mr. BLOCK. There was a mortgage on his property. I believe there was a \$35,000 first mortgage on their printing plant by the 2 organizations, by the 2 welfare plans.

Mr. KENNEDY. Would that be 640 and 342?

Mr. BLOCK. Yes, sir.

Mr. KENNEDY. They each gave \$35,000?

Mr. BLOCK. Yes, sir.

Mr. KENNEDY. And purchased a mortgage on his printing plant?

Mr. BLOCK. He gave them a first mortgage on the plant, on the building.

Mr. KENNEDY. When was that, Mr. Block?

Mr. BLOCK. Well, you have the exact dates, sir. If you will read it to me, your date could be accurate. You have the records.

Mr. KENNEDY. Mr. Kopecky, would you put the dates in? And tell us if it is correct or not, Mr. Block.

Mr. KOPECKY. On June 12, 1951, a memorandum of agreement was executed between the trustees of the welfare funds of locals 640 and 342, with the World-Wide Press Syndicate, Inc., wherein the trustees were to invest \$70,000 in a first mortgage.

Mr. KENNEDY. That was on June 12, 1951.

Mr. BLOCK. That could be correct.

Mr. KENNEDY. And for \$70,000. Now, the terms as we understand it called for a repayment. They were to make a payment of some \$7,000 a year after that, starting on June 13, 1951, to pay \$7,000 each year, is that correct?

Mr. BLOCK. I believe that is correct.

Mr. KENNEDY. Now, was Mr. Raddock in fact able to make that payment?

Mr. BLOCK. As I recall now, some payments were made at the very beginning. Then money became tight, and he couldn't afford to pay, and we tried to get that money from him, and we served him a couple of times with notices and summons and so on.

Mr. KENNEDY. You had a rough time with him, did you?

Mr. BLOCK. Yes, sir.

Mr. KENNEDY. He wouldn't pay?

Mr. BLOCK. Well, they didn't have it, and they were stripped of money.

Mr. KENNEDY. They were in very difficult financial straits, were they?

Mr. BLOCK. However, you must know that the mortgage was secured. We had requested that they give us a first mortgage on the property, and we had it appraised through insurance appraisers, and they appraised the building at about three times as much as the mortgage was worth, and we thought it was a good investment, and we got good return on our money for a short time, and then they fell down on their payments. We notified them, and we had quite a time getting the money, and we had many discussions with the legal department and the trustees and we decided to serve them a summons and if they didn't come through we would have to foreclose them.

Mr. KENNEDY. When was this that you decided to serve the summons on Mr. Raddock?

Mr. BLOCK. I believe a year and a half ago, somewhere around that time.

Mr. KENNEDY. How much was he in default at that time?

Mr. BLOCK. I don't really have the exact amount, but to sum it up—

Mr. KENNEDY. According to our records, and you tell me if it is correct, he was in default to the amount of \$16,550, would that be about right?

Mr. BLOCK. It could be. When the last summons was served, they paid off everything, amortization and interest, and it was worked out with the legal department, and once it was cleared up we were ready to sell the mortgage either to the bank or to sell it back to the union if they were interested in it.

Mr. KENNEDY. When you found that it was in very bad financial straits, and you had served a summons, did you find anyone else that was willing to take the mortgage over?

Mr. BLOCK. Well, I still think the investment was a good investment.

Mr. KENNEDY. Did you find anybody who was willing to take this mortgage off your hands?

Mr. BLOCK. I would think any bank would take it over.

Mr. KENNEDY. You would think any bank would, but did you find anyone who would?

Mr. BLOCK. I am pretty sure.

Mr. KENNEDY. Did you find anyone who would take it over?

Mr. BLOCK. We didn't look for anybody, but as I said, at this time the property was greatly improved, and it probably, some of the money was paid off, and there was a lesser mortgage or less money of the investment.

Mr. KENNEDY. You had this difficulty, and the question is, Did you find anyone that would take this mortgage off your hands?

Mr. BLOCK. We discussed this.

Mr. KENNEDY. Would you just answer the question, Mr. Block. Did you find anyone who would take the mortgage off your hands?

Mr. BLOCK. Yes, sir.

Mr. KENNEDY. Who did you find?

Mr. BLOCK. There were two people we asked, who were supposed to go to the bank, and we spoke to the manager and they said they would take it over if the property is good.

Mr. KENNEDY. You talked to the manager of a bank?

Mr. BLOCK. Yes, sir.

Mr. KENNEDY. To whom did you talk?

Mr. BLOCK. The bank we do business with.

Mr. KENNEDY. Who is that?

Mr. BLOCK. Manufacturers Trust Co.

Mr. KENNEDY. Who did you talk to at that bank?

Mr. BLOCK. The manager. I can't think of his name right now. However, I can get you the name before I leave here. Then we had spoken to the unions, and they thought it was a good investment, and they would be willing to take it over and get the money for it, and as a result they got the money for a lower interest, and they are getting 2 or 3 percent more than they are paying for the money, and they are benefiting by it.

Mr. KENNEDY. That is not very clear to me. After you had the difficulty with Mr. Raddock and he defaulted on his payments, and you brought these actions against him, you were able to get rid of the mortgage. Who took on the mortgage then?

Mr. BLOCK. The two unions.

Mr. KENNEDY. When you say the two unions——

Mr. BLOCK. 640 and 342.

Mr. KENNEDY. The Meat Cutters Unions then took this over, because you felt it was a bad financial investment for the welfare fund, and then the two local unions took it on?

Mr. BLOCK. Well, the welfare has gained approximately \$12,000 to \$15,000, they benefited, even though it was difficult in collecting, but the windup was good. We got the money back.

Mr. KENNEDY. And now the two local unions have the investment?

Mr. BLOCK. Yes, sir.

Mr. KENNEDY. With whom did you discuss this in the local unions, and who were the officers in the local unions with whom you discussed taking these investments?

Mr. BLOCK. Well, actually, it wasn't I that discussed it. One of the trustees talked with them first.

Mr. KENNEDY. Was that your brother, Max Block?

Mr. BLOCK. Oh, no. Mr. Bumgard, he discussed this with them.

Mr. KENNEDY. Would that include Mr. Max Block?

Mr. BLOCK. Well, it could have been with all of them.

Mr. KENNEDY. Max Block is the president?

Mr. BLOCK. He could have talked with him; yes.

Mr. KENNEDY. Did they keep the same terms that existed before on the mortgage?

Mr. BLOCK. I honestly don't remember. I can't tell you on the terms.

Mr. KENNEDY. You know that they changed the terms?

Mr. BLOCK. If there was any change, I don't know. The lawyers worked it out.

Mr. KENNEDY. You know, as a matter of fact, that they modified the terms?

Mr. BLOCK. It could have been, and I don't know the exact terms of it.

Mr. KENNEDY. And they made them less stringent when the union took them over?

Mr. BLOCK. I didn't get that.

Mr. KENNEDY. They made the terms of the mortgage less stringent when the unions took them over; did they not?

Mr. BLOCK. I don't know the exact terms.

Mr. KENNEDY. I am not asking you the exact terms, but they made them less stringent; did they not?

Mr. BLOCK. I can't tell you.

Mr. KENNEDY. I am not asking you specifically what they changed.

Mr. BLOCK. I don't know.

Mr. KENNEDY. You do not know what?

Mr. BLOCK. No; the exact terms, I don't know.

Mr. KENNEDY. Why didn't you keep the mortgage?

Mr. BLOCK. Well, as I said before, he became delinquent in his payments.

Mr. KENNEDY. Didn't you say to Max Block, your brother, "This isn't a very good company from which to take a mortgage. They get delinquent in their payments, and they were away behind in their payments to us, and you'd better not get mixed up in something like this"?

Mr. BLOCK. I didn't say anything to Max Block, and I discussed this with the trustees, and it was the trustees who originally approved the mortgage. It was the trustees that I discussed it with whenever they fell behind. I had nothing to do with Max Block at this point, and from that point when we gave it up, we collected our money, the welfare benefited so much by it. We thought we had enough grief trying to collect it, not that the investment was bad or that the men in the transactions were doing it on purpose, and he was tight for money, and it was one of those things, and the investment was good.

I know of many instances where a bank will give you leeway if you can't pay or you're tied up for money.

Mr. KENNEDY. It is hardly that situation. This was over a period of 5 years, and they had, in 1951, instead of paying \$7,000, they paid \$3,500—and in 1951, the last 6 months, they paid on time, \$3,500.

Then, in the period 1952, instead of \$7,000 they paid \$5,250. There was no payment in 1953. In 1954, instead of paying \$7,000, they paid \$1,750. In 1955, instead of \$7,000, they paid \$1,750. So they were very, very far behind.

Mr. BLOCK. I didn't say that. They were behind, and they were delinquent in their payments, and it was an unpleasant situation, and we tried to solve the problem, and it was a question of foreclosing and getting stuck with property which we had no use for, and we would have to put it on the market or look to sell the mortgage. The important thing to our thinking—when I say our thinking it is the trustees—we benefited approximately \$12,000 to \$15,000 after all of the grief we had with it.

Mr. KENNEDY. That was the money that you were due at that time. They were just paying under the terms. But Mr. Block, why would the union take it over when you had such difficulty with it, and where they had been so delinquent in their payments to you. For what possible reason would the union then take it over?

Mr. BLOCK. I can't answer for the union, counselor, but I do know, and I still say under the mortgage on it, he hasn't a thing to worry about, and this property is very good, and it is a good location and it is a good building, and it is probably worth 3 to 4 times as much.

Mr. KENNEDY. Did you know they were delinquent then for a period of a year or so in their payments to local 640 and 342?

Mr. BLOCK. The delinquency was cured, and it was corrected later on; yes, sir. I did know.

Mr. KENNEDY. But initially they were very delinquent?

Mr. BLOCK. Yes, sir; but we couldn't do anything. It was one thing or the other, and if the trustees decided to foreclose them, it would have been all right with me.

Mr. KENNEDY. What is it about Max Raddock and World-Wide Press that would lead your organizations, the Meat Cutters, to be so kind to them, and to be so understanding? What is it about Mr. Raddock and the World-Wide Press?

Mr. BLOCK. Well, there is nothing personal, not that I wouldn't do anything for him personally, and he has one of the finest labor papers to our thinking and he has done a lot for the labor movement.

Mr. KENNEDY. Has Mr. Max Block also got some bonds of the World-Wide Press?

Mr. BLOCK. I couldn't answer for Max Block, sir.

Mr. KENNEDY. You don't know that?

Mr. BLOCK. I don't know.

Mr. KENNEDY. Would you see if you could get that. We have asked you for some period of time to get the check which you used to pay for these bonds that you purchased, some \$11,000. Could you look again and try to come up with that check? We are very interested in it.

Mr. BLOCK. I most certainly will try, and I have tried, and I will try again.

Mr. KENNEDY. Because we are going to go into that transaction a little later on, and if you could come up with a check it would be of great help to us.

Mr. BLOCK. If there is any way I can help you, I will be glad to help you.

Mr. KENNEDY. That would be one way.

Mr. BLOCK. Is there any other way, sir?

The CHAIRMAN. The bank has a record, and have you checked with the bank, or do you know which bank? Which bank do you say you gave the check to?

Mr. BLOCK. Senator, I wasn't sure.

The CHAIRMAN. Which bank did you have money in at that time?

Mr. BLOCK. The Manufacturers Trust Co.

The CHAIRMAN. The Manufacturers Trust Co.?

Mr. BLOCK. That is correct.

The CHAIRMAN. What other bank?

Mr. BLOCK. Bowery Savings.

The CHAIRMAN. What other bank?

Mr. BLOCK. Ridgewood Savings.

The CHAIRMAN. Any other?

Mr. BLOCK. I could have had Sterling National, sir, but I am not too sure.

The CHAIRMAN. Which ones of these have you looked at?

Mr. BLOCK. I have tried them all, sir. I have come up, the only thing the banks have are the statements, which doesn't help me in any way.

The CHAIRMAN. What is the date of the transaction?

Mr. KENNEDY. Well, May of 1950, and we understand, for instance, one of the banks you told us that you thought that the payment was on the Manufacturers Trust Co., and we received this letter from the Manufacturers Trust Co.

The CHAIRMAN. According to this letter, I will read it to you, and you may comment if you like, this letter says:

This is to advise you that the account in the name of Louis Block was opened on September 11, 1951. We therefore are unable to furnish you with any transcripts of his account for the year 1950.

A search of our files fails to reveal an account in the name of Sylvia Block.

So apparently you had no account in the Manufacturers Trust Co. at that time.

Mr. BLOCK. I said so, Senator, and I wasn't too sure.

The CHAIRMAN. That eliminates that one, and you wouldn't look for a check there. I assume you paid for the bonds about the time that you bought them, or paid something on them at that time?

Mr. BLOCK. Yes, sir.

The CHAIRMAN. You said you paid \$11,000, and you said you might have paid it in 1 or more checks?

Mr. BLOCK. That is right.

The CHAIRMAN. I assume you would start paying on it when you got them, so there ought to be a check somewhere for the first payment. If you did make more than one——

Mr. BLOCK. Sir, if the bank has it, we will be more than glad to go back again to the same banks.

The CHAIRMAN. There is no use to go back to the Manufacturers Trust Co., if you had no account in it.

Mr. BLOCK. I mentioned the other banks.

The CHAIRMAN. That leaves three others, and I understood you had checked with all of them, is that correct?

Mr. BLOCK. Yes, sir.

The CHAIRMAN. Now, I don't know what records those banks keep, but I think it would be easy enough to go back and find out whether the checks passed through there or not.

Mr. KENNEDY. We have gone back to the banks and we can find no transaction of the kind that is described by Mr. Block here in any of his bank accounts. There are some further matters, in dealing at

the other end, as far as Max Raddock's records and the World-Wide Press records, which raised a very serious question, which is the reason I asked you the question. It raises a question as to whether these bonds were in fact purchased or were a gift to you. Then you asked me, of course, what would be the reason he would give it to you, and I answered the reason, and then we developed the \$70,000 mortgage.

Mr. BLOCK. Mr. Kennedy—

The CHAIRMAN. I think that you can appreciate the importance of the check or checks, if you gave checks for it. If it was absolutely a clean transaction, there is no reason for us not to develop it just the same as if it is cloudy. If you can help us, let us get all of the help we can and clear it up.

Mr. BLOCK. I most certainly will.

The CHAIRMAN. We have to go to your banks, and we find no transaction or no record of any such transaction, and you say you paid it by a check.

All right, let us move along.

Mr. KENNEDY. Now, Mr. Block, have you ever received any moneys directly while you were a union official or in your present capacity from the insurance brokers that handled the welfare insurance for the union, local 640?

Mr. BLOCK. No, sir.

Mr. KENNEDY. Do you know Mr. Max Singer?

Mr. BLOCK. Yes, sir.

Mr. KENNEDY. Did he ever give you part of his commission?

Mr. BLOCK. No, sir.

Mr. KENNEDY. He is the broker or was the broker for the insurance for local 640?

Mr. BLOCK. He was.

Mr. KENNEDY. And did he make a \$5,000 payment to you?

Mr. BLOCK. He did not.

Mr. KENNEDY. In 1949 or 1950, at the initiation of this, did he make a \$5,000 payment out of his first commission which amounted to some \$21,000?

Mr. BLOCK. No, sir.

Mr. KENNEDY. Did you receive \$5,000 from him?

Mr. BLOCK. No, sir.

Mr. KENNEDY. Did you receive any money from him?

Mr. BLOCK. Not from him; no.

Mr. KENNEDY. Well, indirectly or directly, did you receive any money from Mr. Singer?

Mr. BLOCK. Not from Mr. Max Singer.

Mr. KENNEDY. Did you receive any money from any Singer?

Mr. BLOCK. Yes, sir.

Mr. KENNEDY. From whom?

Mr. BLOCK. From Hyman Singer.

Mr. KENNEDY. Who is he? Is he related?

Mr. BLOCK. His father.

Mr. KENNEDY. He is a father of Max Singer?

Mr. BLOCK. Yes, sir.

Mr. KENNEDY. Did you declare that money in your income-tax return?

Mr. BLOCK. I don't recall.

Mr. KENNEDY. What did you receive it from Mr. Hyman Singer for?

Mr. BLOCK. He owed it to me.

Mr. KENNEDY. For a past debt?

Mr. BLOCK. That is right.

Mr. KENNEDY. Why did you declare it on your income tax as commissions, \$5,000 commissions?

Mr. BLOCK. I did.

Mr. KENNEDY. Yes. Why did you do that?

Mr. BLOCK. I don't recall that.

Mr. KENNEDY. Now, Mr. Singer, appeared before the New York State Insurance Department in 1954, and he told about receiving \$21,000 for the first year's commissions, and this is on page 11, I believe, and he was asked:

Did you use any part of this money to make any payment to any officer or representative of the union?

Answer. Well, you might call it that. I would call him a friend.

Question. Who is this individual?

Answer. Louis Block.

Question. What was his connection with the union?

Answer. Now he is the administrator of the welfare fund. At that time he was president of the union.

Question. Was he at that time also connected with the welfare fund?

Answer. Oh, sure.

Question. Was he at that time the administrator of the fund?

Answer. No, he wasn't.

Question. What was he?

Answer. He was one of the trustees of the fund.

Question. One of the trustees of the fund?

Answer. That is right, and president of the union.

Question. How much money did you give him?

Answer. Before I give you any of this information, I would like to give you the background of this.

Question. That is what I am going to ask you, so go right ahead.

Answer. I have known Louis Block for approximately 21 years. When I was overseas Louis used to write to me and send me packages, and send me money and cigarettes and send me a lot of things, and he told me not to worry, when I get back he will see I have a job and everything else.

When I came home my brother and I started a trucking business in 1946, and we were peddling meat off the truck and I figured that is the nearest thing that I knew. We needed money to buy the first load of meat, and so I went to Louis Block to loan me some money. The amount doesn't make any difference.

But when that fizzled out I wanted to get a job in the union and I had to make a living and so I went to Louis and asked for a job. We lost the money that we started with, and we didn't make anything until—well, we went bankrupt.

Lou gave me a job working for one of the meat houses in the market and I worked there for a year. While I was working there I didn't want to be a truckdriver and so I went to my father and my father at that time was very close to Louis Block. My father was a general organizer of the union and I went to my father and asked him if I could do something else besides driving a truck.

He said, "Well, why don't you try insurance?" That sounded pretty good to me, and so I started to go to school. I drove the truck during the day and I went to school at night, and I went to the Equitable School.

When I got my license, my first client was Louis Block. I sold him a policy for his son, and I also sold him a policy. After that he recommended a few other people that I could sell, and try to make a living on it.

I saw I wasn't making a living. At that time I heard that the union was putting in a welfare plan. It was the start of all welfare plans at that time. I asked Louis if he could put in my proposal, and I started to shop around to get a proposal. At that time the Equitable didn't make union welfare plans, and so I had to go elsewhere.

To make a long story short, I presented the proposal to Louis, and there were quite a few others and when I went down we had lost on it, I thought. There was another one that might be accepted, but I got it and I thought it was the biggest break I ever got in the insurance business.

Well, I made my money and I was on my feet, I thought it was, and in fact I would have liked to have given him more.

Question. You haven't yet told us how much you gave him.

Answer. I gave him \$5,000, but that is out of my own money.

Question. You mean out of your own volition?

Answer. It wasn't an inducement to get the business or anything else. That was in gratitude for what he had done for my brother and for my father and for myself.

The CHAIRMAN. Do you want to comment on it?

Mr. BLOCK. I don't recall that, Senator.

The CHAIRMAN. You don't recall getting the \$5,000?

Mr. BLOCK. Not from him, sir.

The CHAIRMAN. Well, did he pay it through his father?

Mr. BLOCK. I beg your pardon?

The CHAIRMAN. Did he pay it through his father?

Mr. BLOCK. His father owed me money, sir, and his father paid the money to me.

The CHAIRMAN. He says here he gave you \$5,000 apparently out of the commission he got on the first transaction. You say he didn't. Do you say he did give you \$5,000 or he didn't?

Mr. BLOCK. His father gave it to me.

The CHAIRMAN. I am talking about him, and he said he gave it to you?

(Witness consulted with his counsel.)

Mr. BLOCK. I don't recall him giving me any money, sir.

The CHAIRMAN. Well, I don't know about you, but if someone handed me \$5,000, I believe that I could remember it.

Mr. KENNEDY. Did you appear before the New York State Insurance Board yourself?

Mr. BLOCK. Yes, sir.

Mr. KENNEDY. Were you asked a question about that \$5,000?

Mr. BLOCK. I don't recall.

Mr. KENNEDY. Let me read you your testimony briefly.

Question. Did you ever receive any money from any insurance broker or agent?

Answer. I may have received some money.

This is May 10, 1954, on page 84.

Question. Did you receive any money from Harold Lippel?

Answer. No.

Question. Did you receive any money from Samuel Platt?

Answer. No.

Question. Did you ever receive any money from Max Singer?

Answer. I did.

Question. How much?

Answer. In what year?

Question. Any time since 1949.

Answer. In 1949 I did receive money from Max Singer.

Question. How much?

Answer. I believe it was approximately \$5,000.

Then in 1949, according to your income tax, you declared \$5,000 under the category of "commissions."

Mr. BLOCK. Was that my statement at the State board?

Mr. KENNEDY. That is correct, May 10, 1954, on page 84.

Mr. BLOCK. I will accept that statement, if that is what I stated.

The CHAIRMAN. Were you under oath at that time?

Mr. BLOCK. I don't recall.

The CHAIRMAN. Well, now, you say you accept that statement, and do you mean that you now repudiate your other statement that you got \$5,000 from his father?

Mr. KENNEDY. It was under oath.

Mr. BLOCK. To the best of my recollection, sir, my statement is correct.

The CHAIRMAN. Which statement, the one you made here today or the one you made there before the commission?

Mr. BLOCK. What I said before, sir.

The CHAIRMAN. You mean the one you made before the commission?

Mr. BLOCK. That is right.

The CHAIRMAN. So you are changing your testimony now about getting it from his father?

Mr. BLOCK. Well, if I made that statement, sir, I never knew about that statement, and at least I didn't remember it, and I couldn't recall it.

The CHAIRMAN. Well, both of them are your statements, and I am trying to find out which one you say now is true.

Mr. BLOCK. If that is the statement I made, sir, that must be true.

The CHAIRMAN. All right, proceed.

Mr. KENNEDY. Did Mr. Singer continue to handle the insurance business of the union?

Mr. BLOCK. When was that, Mr. Kennedy?

Mr. KENNEDY. Starting in 1949, and did he continue to represent the union, and handle the insurance?

Mr. BLOCK. I can't recollect.

Mr. KENNEDY. Did he go to work for the union after that as a business agent?

Mr. BLOCK. He did go to work, as an agent for the union, but I don't recall the time or the dates.

Mr. KENNEDY. Do you know Mr. Harold Lippel?

Mr. BLOCK. I know him well.

Mr. KENNEDY. Is he any relation to you?

Mr. BLOCK. Yes, sir.

Mr. KENNEDY. Do you know that Mr. Singer and Mr. Lippel then went into business together?

Mr. BLOCK. I think so.

Mr. KENNEDY. And what is Mr. Lippel's relationship with you?

Mr. BLOCK. Brother-in-law.

Mr. KENNEDY. Do you know that Mr. Singer and Mr. Lippel then handled insurance for the union themselves?

Mr. BLOCK. I believe they did.

(At this point, Senator McClellan left the hearing room.)

Mr. KENNEDY. And were they both working for the union at that time as business agents?

Mr. BLOCK. I don't know whether both of them did. One I know did, and I can't recall the other.

Mr. KENNEDY. Max Singer you know was?

Mr. BLOCK. Oh, no, Lippel worked as secretary.

Mr. KENNEDY. And don't you know Max Singer also went to work for the union as business agent?

Mr. BLOCK. He worked, but I don't recall the time.

Mr. KENNEDY. Subsequently?

Mr. BLOCK. It is possible.

Senator ERVIN. Do you have any questions, Senator Curtis?

Senator CURTIS. No, I have no questions.

Mr. KENNEDY. Did you have anything to do with setting your brother-in-law up in business with Mr. Singer?

Mr. BLOCK. No, sir.

Mr. KENNEDY. Is he still in the business?

Mr. BLOCK. What business are you referring to?

Mr. KENNEDY. The insurance business?

Mr. BLOCK. No, sir.

Mr. KENNEDY. He is not still in it?

Mr. BLOCK. I don't know. I had nothing to do with setting him up the way you asked me before.

Mr. KENNEDY. Do you know when he got out of the insurance business?

Mr. BLOCK. Who got out of it?

Mr. KENNEDY. Lippel, is he still in the insurance business?

Mr. BLOCK. I don't believe so, and he may have a license to write life insurance, and I believe he does.

Mr. KENNEDY. Does he still write the insurance for the union?

Mr. BLOCK. Not to my knowledge.

Mr. KENNEDY. Do you know when he got out of that, and he stopped writing the insurance for the union?

Mr. BLOCK. I don't know, and I don't recall the time, and I know he is out of it.

Mr. KENNEDY. I think that that is all for the present time.

Senator ERVIN. Call the next witness.

Mr. DOYLE. Could I have one question asked of this witness before he retires?

Senator ERVIN. Mr. Block, will you come back just a moment. I think that we have one question.

Mr. DOYLE. I would appreciate it, Senator, if you asked this witness when he purchased stock in the A. & P., if he did not purchase it in the open market at the market price.

Senator ERVIN. You have heard the question, Mr. Block.

Mr. BLOCK. I am sorry, I didn't get it. Will you please repeat the question.

Senator ERVIN. The question is whether, when you purchased stock in the A. & P. Tea Co., if you purchased it in the open market at the market price on the stock exchange?

Mr. BLOCK. Yes, sir.

Senator ERVIN. Through your broker?

Mr. BLOCK. Through the broker, yes, sir.

Mr. KENNEDY. Is Mr. Max Block here?

(At this point, the following members were present: Senators McClellan, Ervin, and Curtis.)

The CHAIRMAN. Be sworn, please. You do solemnly swear the evidence you shall give before this select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. BLOCK. Yes, sir.

TESTIMONY OF MAX BLOCK, ACCOMPANIED BY COUNSEL,
JAMES M. McINERNEY

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. BLOCK. I am sorry I delayed the committee. I am vice president of the Amalgamated Meat Cutters and Butcher Workmen of North America; president of local 342; president of local 640; president of the Butchers District Council of New York and New Jersey.

The CHAIRMAN. Your name is Max Block?

Mr. BLOCK. Yes, sir.

The CHAIRMAN. What is your residence?

Mr. BLOCK. 50 Broadview Avenue, New Rochelle.

The CHAIRMAN. Let the record show Mr. McInerney appears as counsel for the witness.

All right.

Mr. KENNEDY. How long have you been with the Meat Cutters, Mr. Block?

Mr. BLOCK. Since about 1936.

Mr. KENNEDY. I will ask you the same question I asked Mr. Louis Block. Your entrance into the labor movement, was that in any way financed by Mr. George Scalise?

Mr. BLOCK. Definitely no.

Mr. KENNEDY. Did your sister work for George Scalise during the 1930's?

Mr. BLOCK. I was under the impression. Since I questioned my sister she told me definitely no.

Mr. KENNEDY. When you were asked the question by the staff, "Did your sister ever work for Scalise," you answered "My sister worked in his office in the early 1930's, some time before she got sick," and the next question was "Which sister was that," and your answer was "Sonya."

Would you say that is incorrect?

Mr. BLOCK. It is incorrect, yes, sir.

Mr. KENNEDY. You just had the impression that she worked there and you found you were wrong?

Mr. BLOCK. Yes, sir.

Mr. KENNEDY. What is your salary now from the Amalgamated Butchers Union, Mr. Block?

Mr. BLOCK. Which one do you want to know?

Mr. KENNEDY. Whatever ones you work for, where you receive a salary or expenses?

Mr. BLOCK. I beg your pardon, I did not get the question.

Mr. KENNEDY. Whichever one you work for and from which you receive salary or expenses.

The CHAIRMAN. Start with 640. What do you get from 640?

Mr. BLOCK. \$170 a week, and \$30 for expenses.

The CHAIRMAN. How much?

Mr. BLOCK. \$30.

The CHAIRMAN. All right. What do you get from 342?

Mr. BLOCK. I don't remember the exact amount, but I know the check for the salary and expenses is \$326.

The CHAIRMAN. \$300 what?

Mr. BLOCK. \$326 per week.

The CHAIRMAN. \$326?

Mr. BLOCK. Yes, sir.

The CHAIRMAN. What do you get from the council?

Mr. BLOCK. Headaches. No money.

The CHAIRMAN. Do you get expenses?

Mr. BLOCK. No, sir.

Senator CURTIS. Do you get anything as trustee?

Mr. BLOCK. I beg your pardon, Senator?

Senator CURTIS. Do you draw any salary as a trustee?

Mr. BLOCK. No, sir.

Senator CURTIS. And nothing as an international vice president?

Mr. BLOCK. No, sir.

Mr. KENNEDY. Do you draw anything from the international?

Mr. BLOCK. I wonder what you mean by that.

Mr. KENNEDY. Do you get any money from the international?

Mr. BLOCK. Money?

Mr. KENNEDY. Money?

Mr. BLOCK. You are talking about salary?

Mr. KENNEDY. Any money that you get, salary or expenses.

Mr. BLOCK. No salary. Unless I have to travel for the international, the expenses is paid by the international.

Mr. KENNEDY. We have some figures, Mr. Chairman, that we could put into the record, and then he can tell us if we are wrong on it. Would that be all right, Mr. Chairman?

The CHAIRMAN. Yes. Go ahead and interrogate him.

Mr. KENNEDY. Salary from local 342, salary and expenses for 1955, were \$22,670.

The CHAIRMAN. How much?

Mr. KENNEDY. \$22,670. That is \$15,900 in salary and \$6,770 in expenses. Then local 640, salary and expenses for 1955, was \$12,050, and then from the international he receives, according to our records, \$4,950, making a total for 1955 of \$39,670.

Is that incorrect? Do you want to say anything about that?

Mr. BLOCK. Well, you read it off so fast I just don't understand it.

Mr. KENNEDY. Is it about right, do you think? \$39,670?

Mr. BLOCK. I wouldn't say.

Mr. KENNEDY. Is it wrong?

Mr. BLOCK. I couldn't say.

Mr. KENNEDY. Maybe you can check it overnight. For 342, for 1956, \$25,532.

The CHAIRMAN. How much?

Mr. KENNEDY. \$25,532; from local 640, \$10,690; from the Butchers District Council, \$500; and from the international, \$6,350; making a total for 1956 of \$43,072.

Mr. BLOCK. Mr. Kennedy, I just can't give you an answer to that because I don't ever remember receiving a salary from the council.

Mr. KENNEDY. This would be salary or expenses. These are expenses.

Mr. BLOCK. Was it made out to me?

Mr. KENNEDY. Yes. These are expenses to you.

Mr. BLOCK. I wonder what it could have been. I just can't recollect what it was.

Mr. KENNEDY. We are going to try to find out during the course of the hearing.

Mr. BLOCK. I wish you would show it to me, and I can agree with you or disagree.

Mr. KENNEDY. Then in 1957, from 342, \$22,030.

Mr. BLOCK. I imagine that is right.

Mr. KENNEDY. From 640, \$11,070; from the international \$1,975; making a total for 1957 of \$35,075, or for the 3 years a total of \$117,817, salary and expenses. That is where we can trace the expense directly to you.

Mr. BLOCK. Do you mean you have there the salary and expenses totaled, is that it?

Mr. KENNEDY. Right.

Mr. BLOCK. It could be. I will accept it.

Mr. KENNEDY. Mr. Louis Block, during that period of time—well, before we get to Louis Block, do you have any other relatives that were working for the union or with the union?

Mr. BLOCK. Relatives?

Mr. KENNEDY. People who are related to you.

Mr. BLOCK. I am thinking. I can only know of one relative and that is my sister, who was working in the office.

Mr. KENNEDY. How much does she receive from the union?

Mr. BLOCK. I can't give you the exact figure. It couldn't be too big.

Mr. KENNEDY. Well, she received in 1955, according to our records, \$1,750; in 1956, \$5,130; in 1957, \$5,720.

How about Mr. Harold Lippel, is he related to you?

Mr. BLOCK. No, sir.

Mr. KENNEDY. Is he related to Mr. Louis Block?

Mr. BLOCK. He has relations, I imagine.

Mr. KENNEDY. Isn't he related to Louis Block?

Mr. BLOCK. You are talking about Harold?

Mr. KENNEDY. Yes.

Mr. BLOCK. He is a brother-in-law. Not mine.

Mr. KENNEDY. And what is his position?

Mr. BLOCK. Secretary-treasurer.

Mr. KENNEDY. He received in 1955, \$12,712; in 1956, \$13,359; in 1957, \$16,380. Do you know how much all of you received in the 3 years?

Mr. BLOCK. I don't think it is a fair question, Mr. Kennedy. All of us? We are not a corporation. Each individual is working for a living.

Mr. KENNEDY. Yes, I know. Well, you and your brother received a total of \$173,617. Your brother has received \$65,800. And added to the figure you received it makes a total of \$173,617, and together with Mr. Louis Block's brother-in-law and your sister, it is a total of \$241,605.

The CHAIRMAN. Over the period of how many years?

Mr. KENNEDY. 1955, 1956, and 1957, the 3 years.

Senator CURTIS. Mr. Chairman?

The CHAIRMAN. Senator Curtis.

Senator CURTIS. What various types of items are included in expenses?

Mr. BLOCK. Senator, do you mean the fixed expense or general expense?

Senator CURTIS. I mean when the books show a certain amount of money paid to you as expenses, what is that for? Is it confined to personal expenses, to travel expenses, or what might it include, based upon your best recollection?

Mr. BLOCK. Well, I will explain, Senator. We fix in the union salary and expenses. That would cover local expenses, like telephones, parking, gasoline or other miscellaneous, on the road, in your day's work. However, take a fellow like me, and I am always traveling. If I would have to pay all these expenses out of my pocket I guarantee you I would have very little left to take home. If I am asked by the international union to make a trip to San Francisco for the benefit of the organization, I could not very well afford to pay it out of my pocket, so that is paid by the international union.

Senator CURTIS. I am not quarreling with you on that. What I want to know is this: Are there any items carried here as expense that represent expenditures other than your travel, hotel, and personal expenses of that kind?

Mr. BLOCK. Now, then, there are expenses in the city, as I stated before, like telephone calls. During the course of the day when I am in the city maybe on the phone, I may be on the phone 50 different times. As long as it is a distance, and I have no charge account, then I pay with coins.

Then there is parking, tunnels, bridges, because we cover a vast area. Then we have certain types of meetings. For instance, when we meet with an employer in a restaurant for lunch, to discuss a problem. You pick up a check and it may be \$5, \$6, or \$10, sometimes. Those are the local expenditures. And then the traveling and the other kind of expenses are different.

But apparently the investors put them all together and it sounds like a big number or looks like a big number.

Senator CURTIS. That is all at this time, Mr. Chairman.

The CHAIRMAN. The Chair and the chief counsel have an appointment at 4:30. We cannot get through with this witness this afternoon, so we will go over to tomorrow morning.

The committee will stand in recess until 10:30 in the morning.

(Whereupon at 4:30 p. m. the hearing recessed, to reconvene at 10:30 a. m. Tuesday, May 27, 1958, with the following members present: Senators McClellan, Ervin, and Curtis.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

THURSDAY, MAY 27, 1958

UNITED STATES SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES
IN THE LABOR OR MANAGEMENT FIELD,
Washington, D. C.

The select committee met at 10:30 a. m., pursuant to Senate Resolution 221, agreed to January 29, 1958, in the caucus room, Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

Present: Senator John L. McClellan, Democrat, Arkansas; Senator Barry Goldwater, Republican, Arizona; Senator Carl T. Curtis, Republican, Nebraska.

Also present: Robert F. Kennedy, chief counsel; Walter R. May, investigator; George H. Martin, investigator; John Cye Cheasty, investigator; Ruth Young Watt, chief clerk.

(The following members were present: Senators McClellan and Goldwater.)

The CHAIRMAN. The committee will be in order.

TESTIMONY OF MAX BLOCK, ACCOMPANIED BY JAMES M. McINERNEY, COUNSEL

Mr. KENNEDY. Mr. Block, yesterday in the short time we had, we discussed briefly the members of your family that were associated with the various Meat Cutters' unions and your own salary and expenses. I would like to go on to another relation of yours, your son-in-law. Does he have any relationship with the union? Does he do any work for the union?

Mr. BLOCK. No, sir.

Mr. KENNEDY. Does he get salary or expenses from the union?

Mr. BLOCK. No, sir.

Mr. KENNEDY. That is Mr. Martin Zeitler, is it, sir?

Mr. BLOCK. Do you mean my son-in-law?

Mr. KENNEDY. Yes.

Mr. BLOCK. Yes sir; that is my son-in-law.

Mr. KENNEDY. What business is he in, Mr. Block?

Mr. BLOCK. I am not too familiar with his business. I could just give you an idea what it is.

Mr. KENNEDY. Give me an idea of what it is.

Mr. BLOCK. Paper products, packaging products, something to that effect.

Mr. KENNEDY. Have you intervened with any of the companies with whom the Meat Cutters have contracts to give business to your son-in-law?

Mr. BLOCK. I just don't understand the question.

Mr. KENNEDY. I think it is very clear.

The CHAIRMAN. The question is: Have you intervened with any of the companies with whom your union has a contract in an effort to secure business for your son-in-law?

Mr. BLOCK. I still don't understand the question exactly.

The CHAIRMAN. Have you tried to get business for him from companies that the union has a labor contract with, your union?

Mr. BLOCK. I don't remember of any.

The CHAIRMAN. All right; proceed.

Mr. KENNEDY. You do not remember ever discussing with any of the employers with whom your union has a contract the getting of business for your son-in-law? You never discussed that at all?

Mr. BLOCK. I don't remember, sir.

Mr. KENNEDY. This is something that you definitely would remember, Mr. Block. This was an intervention for your son-in-law for his business. You say you don't remember that at all?

Mr. BLOCK. I don't recollect, sir.

Mr. KENNEDY. What about with the A. & P. Co.? Did you discuss it with anybody from the A. & P. Co.?

Mr. BLOCK. Do you mean in reference to my son-in-law?

Mr. KENNEDY. That is right; getting your son-in-law some business from the A. & P. Co.?

Mr. BLOCK. I don't recollect, sir.

Mr. KENNEDY. Would this refresh your recollection? I am reading from the testimony of French T. Ratcliffe, director of operations, eastern division of the A. & P. Co., volume 4, page 611.

Question. Mr. Ratcliffe, did Mr. Block approach you about giving his son-in-law some business?

Answer. Yes, sir.

Question. When did he approach you?

Answer. I don't know.

Question. What was it; the paper business?

Answer. It was the cellophane business.

Question. How many times did he approach you?

Answer. Maybe 2 or 3.

Does that refresh your recollection?

Mr. BLOCK. I don't recall. However, if Mr. Ratcliffe says so, I suppose I did speak to him.

Mr. KENNEDY. That does not refresh your recollection?

Mr. BLOCK. I can't recollect.

Mr. KENNEDY. You can't recollect that. Then the A. & P. proceeded to give your son-in-law some business. Now, what about from the Food Fair Co.? Did you approach them about giving your son-in-law some business?

Mr. BLOCK. I just don't remember talking to anyone in the Food Fair Co. about business.

Mr. KENNEDY. Did you talk to Louis Stein, president of the Food Fair stores?

Mr. BLOCK. I might have mentioned it once. It could have been, but I just don't recollect that.

Mr. KENNEDY. You don't recollect that, either?

Mr. BLOCK. No; but I may have spoken to him.

Mr. KENNEDY. Mr. Louis Stein, president of Food Fair Co., on page 1787. The question was:

Also dealing with Mr. Block whose name appears on the stocklist, about whose union Mr. Kopecky testified, has Mr. Block ever approached you about giving any business to his son-in-law, Martin Zeitler?

Answer. He did.

Question. And Mr. Zeitler is in the packaging and paper corporation. When did Mr. Block approach you on that?

Answer. It must be quite some years back. I don't recall, exactly.

Question. 1953?

Answer. I gave the records to your investigators. In fact, we sent a letter on it. You have a letter in the file.

Question. What did Mr. Block say to you at that time?

Answer. He just asked, if we had any opportunity to give his son-in-law some business, would we do it. I know for a long time he did not get any business, because his price was not right. I remember that distinctly. It came up because a note was sent down to see if we could not do some business with him, and they said we could not because his price was not right.

Does that refresh your recollection that you approached Mr. Stein?

Mr. BLOCK. I really couldn't say, exactly. I may have mentioned it, as I said before. I may have mentioned it to a few people. It would be just a normal thing. It wasn't a question, there, where there was any pressure used anyplace. That is why I was pretty sure I haven't pressured anyone.

Mr. KENNEDY. Well, you talked to the A. & P. Co. 2 or 3 times, and you talked to Mr. Stein. After your conversation with Mr. Stein, over a period of 2 or 3 years, they gave your son-in-law \$508,000 worth of business.

Mr. BLOCK. I thought it was nice.

Mr. KENNEDY. You thought it was nice?

Mr. BLOCK. Well, the son-in-law must have made progress.

Mr. KENNEDY. Does that refresh your recollection at all?

Mr. BLOCK. To what?

Mr. KENNEDY. Does that refresh your recollection at all that you might have talked not only to these employers but other employers?

Mr. BLOCK. I could have mentioned it casually to almost anyone.

Mr. KENNEDY. And then Mr. Bohack—do you remember talking to Mr. Donohue of the Bohack Co.?

Mr. BLOCK. I don't recollect, but I could have mentioned it.

Mr. KENNEDY. This is the third one, the third company, and he also testified on page 893 that you approached him about giving your son-in-law some business. Do you remember that?

Mr. BLOCK. I stated before that I could have mentioned it to almost anyone, but I also don't remember exactly speaking to anyone on the subject.

Mr. KENNEDY. You were very vociferous when the staff interviewed you, in your denials that you ever approached any employer. It was then that we went out and interviewed some of these employers and found that you approached quite a number. That is the A. & P., Bohack, Food Fair. We also had some testimony that you approached Waldbaum. Do you remember approaching them about giving your son-in-law some business?

Mr. BLOCK. No, sir. I don't remember.

Mr. KENNEDY. Do you deny that you did?

Mr. BLOCK. I don't remember.

Mr. KENNEDY. You don't remember that.

The CHAIRMAN. All of these people that he has mentioned here that you may have approached, do they all have contracts with your union?

Mr. BLOCK. Mr. Senator, you must realize that almost everyone in the city of New York and around New York have contracts with our union.

The CHAIRMAN. I do realize it, but I am asking you specifically. While I may realize it, you know about it. I am asking you do these people have contracts with your union?

Mr. BLOCK. Of course.

The CHAIRMAN. All right.

Mr. KENNEDY. According to the testimony before the committee in the case of Waldbaum, you threatened them that they would get into difficulty if they did not give business to your son-in-law. Is that correct?

Mr. BLOCK. No, sir.

Mr. KENNEDY. Do you deny that?

Mr. BLOCK. That could never happen.

Mr. KENNEDY. You would not do anything like that?

Mr. BLOCK. That could never happen, sir.

Mr. KENNEDY. You deny that, then?

Mr. BLOCK. That could never happen with me.

Mr. KENNEDY. Well, do you deny it?

Mr. BLOCK. I told you it could never happen.

Mr. KENNEDY. It could never happen? But do you deny that it happened?

Mr. BLOCK. I would never say that, sir.

Mr. KENNEDY. You would never say what?

You would never deny that it happened? Did it happen or did it not happen?

Mr. BLOCK. It couldn't happen, sir.

Mr. KENNEDY. I know it could not happen, possibly, with you. Mr. Block, let me start over again. Did it happen? Just answer the question yes or no. Did it happen that you threatened Waldbaum, the officials of Waldbaum?

Mr. BLOCK. No, sir. Definitely not.

Mr. KENNEDY. What about Grand Union? Did you approach them about giving your son-in-law some business?

Mr. BLOCK. No, sir.

Mr. KENNEDY. What?

Mr. BLOCK. No, sir. I don't remember anything like that at all.

Mr. KENNEDY. Do you deny that you approached the officials of Grand Union about giving your son-in-law some paper business?

Mr. BLOCK. Mr. Kennedy, if I would approach all these people, my son-in-law would have done a very big job. But for 3 years he starved, with all of these connections.

Mr. KENNEDY. I think he has done very well, as I understand.

Mr. BLOCK. He has done lately on his own. You know the records, I am sure, Mr. Kennedy.

Mr. KENNEDY. Did you approach the Grand Union, the officials of the Grand Union store?

Mr. BLOCK. To my best recollection, no.

Mr. KENNEDY. Do you deny that you approached them?

Mr. BLOCK. I don't remember ever talking to them about it.

Mr. KENNEDY. Did you approach and discuss it with Barney Lubeck, of the Grand Union stores?

Mr. BLOCK. I see Barney Lubeck very often.

Mr. KENNEDY. That doesn't answer the question, Mr. Block. We will move right along if you can answer the questions. We will go through this very quickly.

Mr. BLOCK. I am willing to cooperate 100 percent with you.

Mr. KENNEDY. Just answer the question. Did you discuss with Barney Lubeck of the Grand Union stores giving your son-in-law some business?

Mr. BLOCK. I don't recollect anything like that.

Mr. KENNEDY. You don't recollect?

Mr. BLOCK. No, sir.

Mr. KENNEDY. Do you deny that you did it?

Mr. BLOCK. I don't recollect. I couldn't deny and I couldn't agree.

The CHAIRMAN. Let me ask you this. Here are about 5 or 6, and I don't know how many more they have here. I am trying to move this thing along. Do you mean to tell us you have no recollection of ever having contacted any of these folks in the interest of your son-in-law to procure business for him? Is that your statement under oath?

Mr. BLOCK. My statement is that I don't recollect some of the questions that the general counsel put before me.

The CHAIRMAN. It is not a case of recollecting the question. It is recollecting the answers to it. The question is: Do you deny that you approached these people representing business in order to procure some business for your son-in-law? You say now, under oath, that you can't recall whether you did or did not in all of these cases?

Mr. BLOCK. That is quite a broad question.

The CHAIRMAN. It isn't broad at all. The answer is yes or no. You know whether you remember it or don't remember it. Whether you did or did not, you know whether you did.

If it was one incident, that might be one thing. But it appears here that there may be 5 or 6 or maybe more instances where you did it, and I don't think you are that feeble-minded that you could not remember. You either did or did not, and you can say one way or the other. I don't care what you say, but I want an answer.

Mr. BLOCK. I realize that, but I would like to give you a true answer.

If I can't give it to you, if I am not sure, then I have to say I don't remember exactly.

The CHAIRMAN. You are stating that under oath?

Mr. BLOCK. Yes, sir.

The CHAIRMAN. But you don't deny it?

Mr. BLOCK. I can't recollect, sir.

The CHAIRMAN. You wouldn't deny it? You wouldn't say under oath you did not do it?

Mr. BLOCK. I don't deny, sir.

The CHAIRMAN. All right. Proceed.

Mr. KENNEDY. One of the companies, according to the testimony, that you approached, was the officials of the Food Fair Co., Mr. Louis Stein. Did you receive any stock rights from Mr. Louis Stein on the Food Fair properties?

Mr. BLOCK. Would you please repeat the question, Mr. Kennedy? I did not get the question.

Mr. KENNEDY. Did you receive any stock rights from Mr. Louis Stein in connection with the Food Fair properties?

Mr. BLOCK. I don't understand what you mean by stock rights.

The CHAIRMAN. Let me help you. You are pretending to be the dumbest labor leader I ever heard of.

You know what the right to buy stock is, don't you?

Mr. BLOCK. Yes, sir.

The CHAIRMAN. All right. Did you get any rights from the Food Fair Co. to buy stock, on a new issue of stock it was putting out?

Mr. BLOCK. I don't think it is a proper question, sir.

The CHAIRMAN. I don't care what you think. I am asking it, and I am asking you to answer it.

Mr. BLOCK. I don't get the question. I want to answer it.

The CHAIRMAN. The right to go and buy stock. Here is a lot of stock being put on the market, an issue of stock. It is oversubscribed.

The company had reserved the right to buy a certain amount of that stock. Did they transfer some of those rights to you so you could buy the stock that was reserved to them? That is what it amounts to.

Mr. BLOCK. If you want an explanation on that, I will give it to you.

The CHAIRMAN. I want an answer and then an explanation. Start with the answer and give the explanation.

Mr. BLOCK. I am not familiar with rights. I am familiar with what I did as far as stocks are concerned.

The CHAIRMAN. Let's see what you did.

Mr. BLOCK. I read the paper and I also heard that there was the Food Fair properties being formed, so when I met Mr. Stein somewhere in New Jersey, I think it was in Deal, N. J., I asked him about that and he agreed and said yes. I also advised him that I would like to invest some money in it, I think it is going to be all right. He agreed to that. The only thing he asked me was how much I would want to invest.

"Oh," I said, "around \$20,000 or \$25,000."

He said, "Don't you think it is going to be a gamble? Why so much?"

I said, "I have confidence that it is going to be all right."

At a later date I received a notice, I think it was a notice, from a stock firm, and I think it was Eastman-Dillion, and they have asked me for \$2,000 for 2,000 shares of common stock. I sent them a check.

The CHAIRMAN. Had you ever communicated with Dillon before that?

Mr. BLOCK. I don't know. I don't recollect if I ever called Dillon direct. I never dealt with them before.

The CHAIRMAN. Then did Stein, of Food Fair, transfer to you a document saying you had a right to purchase so much of that stock?

Did he give you something in writing, saying you could purchase so much of that stock?

Mr. BLOCK. I know I got a notice.

The CHAIRMAN. Did you get something in writing from Stein?

Mr. BLOCK. I don't recollect getting anything from him direct. I

know I got it from the Eastman-Dillon Co., some notice about the amounts involved.

The CHAIRMAN. All right, proceed, Mr. Counsel.

Mr. KENNEDY. Did you pay for the rights that you received?

You received some 4,800 rights worth \$3,600. Did you pay for the rights?

Mr. BLOCK. Are you talking about debentures?

Mr. KENNEDY. Yes.

Mr. BLOCK. You see, I am not too familiar with the stock market, in spite of the fact that I own some. You talk about rights and I did not know what you meant.

That is why I knew you were driving toward it, but I was not sure. After all, I am under oath, as the chairman stated, and I want to make sure I am correct when I say anything.

Mr. KENNEDY. This is the question: You received 4,800 rights from the Food Fair Co. The rights at that time were worth \$3,600. I am asking you whether you paid for the rights. Did you pay Stein \$3,600 for the rights? You received them on the 29th of September 1955.

Did you pay Mr. Stein for the rights?

Mr. BLOCK. I am not familiar with what you are saying again. Just a moment. Maybe I will be able to clear it up. I have not paid Mr. Stein for anything because he has not given me anything.

Mr. KENNEDY. He gave you 4,800 rights that were worth \$3,600, and he gave them to you on the 29th of September. You used those rights, plus \$12,000, to buy bonds that were worth \$16,800.

Mr. BLOCK. When I called back Mr. Stein after I received the notice for \$2,000 worth of common stock—

Mr. KENNEDY. We are not talking about the stock yet. We are talking about the debentures, the bonds. What is the answer to the question? You didn't pay him, is that right?

(The witness conferred with his counsel.)

Mr. KENNEDY. You never paid him for the rights? That is the answer to the question?

Mr. BLOCK. I always paid for what I received.

Mr. KENNEDY. Did you pay? The question is: Did you pay Mr. Stein or anyone from the Food Fair Co. \$3,600 for the 4,800 rights that you received?

Mr. BLOCK. I wish you would let me explain again, and I will clear it up. You may have the right, but I am not clear on the issue. I told you I received 2,000 shares of common for \$1 apiece. Then I called back—if you give me an opportunity I will try and clear it up.

Mr. KENNEDY. All right.

Mr. BLOCK. I called Mr. Stein, I think it was Mr. Stein, and I asked him what happened to the balance of the money I was supposed to invest, they only sent me 2,000 shares for \$2,000, which at that time I thought I overpaid 90 cents a share, because I was told they got them for 10 cents a share, their own company did.

However I called them and he said that he thinks \$25,000 is too much, it is still a gamble. However, he was going to look into it. The next thing was I got a notice, as I remember, but I couldn't tell you exactly what type of a notice, for \$12,000 of debenture bonds, for \$12,000.

Mr. KENNEDY. Then the answer to the question as to whether you paid for the 4,800 rights, if you paid the \$3,600 for the 4,800 rights, the answer to that question is "No," is that right?

Mr. BLOCK. Mr. Kennedy—

Mr. KENNEDY. Mr. Block.

Mr. BLOCK. I cannot answer something that I don't know what you are asking me.

Mr. KENNEDY. Do you mean you don't know anything about the fact that you received the rights? Is that what you are testifying about before the committee?

Mr. BLOCK. Mr. Kennedy, just a moment. I am not going to say yes or no to something that I don't know what you are asking.

Mr. KENNEDY. You know this, that you received rights, you received 4,800 rights and you used that plus \$12,000 to get certain bonds and debentures. You know that. You are the one that got them. Did you pay for them? That is all I am asking. That is a very simple question.

Mr. BLOCK. You can bet your life and my life I could bet that I paid for everything I received.

Mr. KENNEDY. How did you pay for the rights? Did you pay by check or cash?

Mr. BLOCK. I don't recollect the whole transaction on rights. That is why I don't know. I don't understand it.

Mr. KENNEDY. Your answer to the question is you just don't understand anything about it?

Mr. BLOCK. I don't understand the question.

Mr. KENNEDY. This is a very simple question. I will ask you this just once again: Did you pay \$3,600 to anyone for the 4,800 rights that you received?

Mr. BLOCK. I don't recollect that transaction of \$3,600. That is why I can't answer that.

Mr. KENNEDY. To the best of your recollection, you didn't pay, then?

Mr. BLOCK. To my best of recollection I don't understand, sir.

Mr. KENNEDY. To the best of recollection you don't understand?

The CHAIRMAN. Well, if you paid out \$3,600 you would understand it; wouldn't you?

Mr. BLOCK. I would understand everything, if I know what the question is. Now, I don't know about rights—

The CHAIRMAN. Did you pay Stein or the Food Fair Co. anything? That is the question.

Mr. BLOCK. I haven't bought anything and I never paid for that, I mean them kind of things.

The CHAIRMAN. Whatever you got from them was given to you?

Mr. BLOCK. Whatever I got I paid for, sir.

The CHAIRMAN. How did you pay for it?

Mr. BLOCK. Whichever way I was able to pay at the time I got it.

The CHAIRMAN. Well, which way was it?

Mr. BLOCK. I don't understand the question again.

The CHAIRMAN. Did you ever pay Stein in cash or check or any other way for anything you got from Food Fair?

Mr. BLOCK. Anything I received from Food Fair or any other company I paid for.

The CHAIRMAN. All right. Did you get anything from Food Fair or from Stein?

Mr. BLOCK. Are you talking about stocks?

The CHAIRMAN. I am talking about anything that you paid for or didn't pay for.

Mr. BLOCK. I just don't recollect, but I know everything I receive I pay.

The CHAIRMAN. How much did you pay?

Mr. BLOCK. I don't know the issue.

The CHAIRMAN. Unless you say you paid and make some statement about it, the record is going to reflect that you did not pay, because they say you did not pay anything.

Mr. BLOCK. Who is "they"?

The CHAIRMAN. Stein, Food Fair.

Mr. BLOCK. I don't understand the whole question.

The CHAIRMAN. You don't understand the question. The question is simple: Did you pay Stein or Food Fair for the rights you got from them to buy this stock?

Mr. BLOCK. Food Fair or Food Fair Properties? Which?

The CHAIRMAN. Well, Food Fair Properties?

Mr. BLOCK. It is two different companies, that is why.

The CHAIRMAN. You what?

Mr. BLOCK. It is two different companies.

The CHAIRMAN. All right. Take either one of them. Food Fair Properties?

Mr. BLOCK. If I received rights, I paid for it.

The CHAIRMAN. How? You received them. There is no doubt about that. How did you pay for them?

Mr. BLOCK. I suppose by check.

The CHAIRMAN. Who did you pay?

Mr. BLOCK. I don't recollect the whole issue. I am not sure of rights. This is why I am not a stockman.

The CHAIRMAN. You are sure of nothing. You thought it was a good investment and you put your money into it.

Mr. BLOCK. It was not because of a stock issue. It was because of the business. I thought I should invest some money in real estate and that is what it was going to be.

The CHAIRMAN. You invested in stock or debentures.

Mr. BLOCK. But it is a real-estate company, sir.

The CHAIRMAN. Of course it is a real-estate company. That is what you got the rights to buy into, to buy stock and debentures into that company.

Mr. BLOCK. Is that what it means? If that is what it means, I paid for it, of course.

The CHAIRMAN. How?

Mr. BLOCK. Well, like I usually would, by check.

The CHAIRMAN. To whom did you give your check?

Mr. BLOCK. I don't remember the transaction. That is why I am not sure.

The CHAIRMAN. You know you got the stock, don't you, and the bonds?

Mr. BLOCK. I paid for all the stock I received.

The CHAIRMAN. You didn't pay Stein for it; did you?

Mr. BLOCK. He hasn't given it to me or he hasn't sent it to me. I thought I got it through the broker.

The CHAIRMAN. You got it through Dillon & Co.?

Mr. BLOCK. I suppose so.

The CHAIRMAN. But you got the rights to purchase it out of what the company had reserved to itself and its officers, you got the right to purchase it from them?

Mr. BLOCK. It could be, but I just don't recollect it.

The CHAIRMAN. O. K. Proceed.

Mr. KENNEDY. You were talking about the shares of stock. You got 2,000 shares of stock; is that right? You received 2,000 shares of stock, of Food Fair Properties?

Mr. BLOCK. Yes.

Mr. KENNEDY. Is that right?

Mr. BLOCK. Yes, sir.

Mr. KENNEDY. And you paid \$2,000 for those 2,000 shares, did you?

Mr. BLOCK. Yes, sir.

Mr. KENNEDY. And that stock at that time was worth some \$8,000?

Mr. BLOCK. To my estimation, it was worth about \$200.

Mr. KENNEDY. Well, actually on the market it was worth \$8,000, and you paid \$2,000 for it.

Mr. BLOCK. I give you my opinion about it. I thought it was worth \$2,000. I thought I overpaid.

The CHAIRMAN. You thought it was worth \$200 and you were willing to pay \$2,000 for it?

Mr. BLOCK. I realized that after I bought it.

Mr. KENNEDY. You were telling people at that time, at least according to the testimony before the committee, that you thought you got a very good deal.

Mr. BLOCK. I thought so. I made a mistake. I have made mistakes before.

Mr. KENNEDY. You didn't make a mistake here. You got \$8,000 worth of stock for \$2,000.

Mr. BLOCK. That is a broad statement, Mr. Kennedy.

Mr. KENNEDY. It is not broad. That is a statement of fact.

Mr. BLOCK. Do you know the price on it now?

Mr. KENNEDY. That is the price at that time. You paid \$2,000 and it was worth \$8,000.

Mr. BLOCK. I bought \$2,000 worth of stock that was worth \$200. That is the way I saw it. The wrong people got it for 10 cents a share. I thought they charged me 90 cents a share more than the actual value.

I don't think there was any actual value. There was paper, no company. There was nothing but paper.

Mr. KENNEDY. On the day you received this, Mr. Block, and I will give you a chance to say anything about it that you want, the day you received it, the day this stock was transferred to your name, the 2,000 shares of stock for which you paid \$2,000 was in fact worth \$8,000. You might have thought it was worth only \$200, but that is what the facts are.

Mr. BLOCK. Mr. Kennedy, do you have the exact market price for that date?

Mr. KENNEDY. Yes.

Mr. BLOCK. If you have it, then I will go along with you on any price you say, but I don't recollect that.

Mr. KENNEDY. You did very well for someone who does not know anything about it. You got paid some \$14,000 for stocks and bonds which were worth that very day some \$24,000. You made \$10,000 like that? [Indicating.]

And somebody that does not know anything about it.

Mr. BLOCK. I may have been lucky. But, Mr. Kennedy—

Mr. KENNEDY. Where did you get the \$12,000 to pay for your bonds?

Mr. BLOCK. I got it on my salary.

Mr. KENNEDY. Out of your salary?

Mr. BLOCK. On my salary. I borrowed. I got it on salary.

Mr. KENNEDY. You took an advance of salary?

Mr. BLOCK. Yes, sir.

Mr. KENNEDY. From one of the unions?

Mr. BLOCK. One of the unions; yes.

Mr. KENNEDY. Which local?

Mr. BLOCK. I couldn't give you the number. I thought it was 342, but I am not sure.

The CHAIRMAN. I hand you a photostatic copy of a check dated October 4, 1955, made payable to Max Block, in the amount of \$12,000, drawn on the Butcher Workmen's Union Local 640 account in the Manufacturers Trust Co. bank of New York. I ask you to examine this document and state if you identify it, and also what the indorsement is on the back of it.

(The document was handed to the witness.)

(The witness conferred with his counsel.)

The CHAIRMAN. Have you examined it?

Mr. BLOCK. Yes, Senator.

The CHAIRMAN. What is it?

Mr. BLOCK. It is a check.

The CHAIRMAN. Do you identify the check as one you received from that union, local 640?

Mr. BLOCK. Yes, sir.

The CHAIRMAN. All right. It may be made exhibit 16.

(The document referred to was marked "Exhibit No. 16" for reference and will be found in the appendix on p. 11763.)

The CHAIRMAN. What is the endorsement on it? Read the endorsement.

Mr. BLOCK. The endorsement is my name "Max Block."

The CHAIRMAN. What is above there?

Mr. BLOCK. "Pay to the order of Nathan W. Math, Max Block."

The CHAIRMAN. Who is Nathan W. Math?

Mr. BLOCK. An attorney for Food Fair Co.

The CHAIRMAN. An attorney for the Food Fair Co.?

Mr. BLOCK. Yes, sir.

Mr. KENNEDY. That was an advance in salary for you?

Mr. BLOCK. Yes, sir.

Mr. KENNEDY. It wasn't a loan from the union?

Mr. BLOCK. No, sir.

Mr. KENNEDY. And this transaction was handled through Nathan Math, was it?

Mr. BLOCK. I beg your pardon?

Mr. KENNEDY. This transaction was handled through Nathan Math?

Mr. BLOCK. I don't understand the question.

Mr. KENNEDY. The purchase of the bonds was handled through Nathan Math.

Mr. BLOCK. No, sir; not that way, not to my knowledge, anyhow.

Mr. KENNEDY. This check is indorsed over to Nathan Math. What was the reason for that?

Mr. BLOCK. I suppose I was told to send the check to him. I don't know.

Mr. KENNEDY. Who told you to send the check to him?

Mr. BLOCK. I don't recollect.

Mr. KENNEDY. Who is Nathan Math?

Mr. BLOCK. A lawyer.

Mr. KENNEDY. Does he have any connection with the Food Fair Co.?

Mr. BLOCK. I think he does some work for them.

Mr. KENNEDY. Do you discuss contracts with him, with the Food Fair Co. in New York?

Mr. BLOCK. Usually they have a man that negotiates the contracts in Philadelphia, and he comes in and takes care of the contract negotiations.

Mr. KENNEDY. Would you answer my question? Do you discuss the contracts with Nathan Math?

Mr. BLOCK. Which contracts are you talking about?

Mr. KENNEDY. The contracts of Food Fair Co.

Mr. BLOCK. I beg your pardon?

Mr. KENNEDY. The contracts of the Food Fair Co.

Mr. BLOCK. You mean the contracts of the Food Fair Co. and the union, 342?

Mr. KENNEDY. Mr. Block, you are not that dumb.

Mr. BLOCK. I am not, but I don't want to answer to something that I am not sure what I am going to answer to.

Mr. KENNEDY. You know what the situation is. You know you have had discussions with Nathan Math, you know he is the attorney for the Food Fair Co., and you know he signs the contracts. Why act like that?

Mr. BLOCK. I don't want to act like that.

Mr. KENNEDY. Listen to the question. If you understand it, answer it. If you don't understand it, say you don't understand it. Just answer the question: Haven't you had discussions with Nathan Math in connection with the Food Fair Co. contracts?

Mr. BLOCK. When?

Mr. KENNEDY. Any time?

Mr. BLOCK. I did many times.

Mr. KENNEDY. All right. That is an answer to the question. The answer is "Yes"?

Mr. BLOCK. Many times.

Mr. KENNEDY. He has also signed the contracts for the Food Fair Co.; has he not?

Mr. BLOCK. I can't say that. I am not sure of that.

Mr. KENNEDY. I can show you this.

Mr. BLOCK. If you show it to me, it is so.

Mr. KENNEDY. We will go along much faster, Mr. Block, if you try to answer the question.

Mr. BLOCK. I would like to, but I want to make sure.

Mr. KENNEDY. We have a lot of things to go over with you.

The CHAIRMAN. Here is what purports to be a copy of the contract between the Food Fair Co. and your union. I present it to you and ask you to examine it and state if you identify it as a photostatic copy of the contract.

(The document was handed to the witness.)

(The witness conferred with his counsel.)

Mr. BLOCK. You don't want me to read the whole thing, do you, Mr. Chairman?

The CHAIRMAN. No; I sure don't. Just state if you identify it. Read enough to satisfy yourself.

Mr. BLOCK. Well, I see here where Mr. Schwartz, that I mentioned before, that is the Philadelphia office, he has his signature on it. Then you have Nathan W. Math's signature, and then you have my signature on the left of it. Is that it? It is no signature, it is printed. But I imagine that is what you mean; is that right?

Mr. KENNEDY. That is right. That is the same Nathan W. Math to whom you gave this check for the stock; is that right?

Mr. BLOCK. I couldn't tell you that I gave it to him. I am not sure where it was sent, whether it was to his office or some other office.

Mr. KENNEDY. You sent it to some one.

Mr. BLOCK. I sent it to some one I was told to send it to, but I don't recollect it.

Mr. KENNEDY. It says pay to the order of Nathan W. Math, and signed Max Block.

Mr. BLOCK. What year is it?

Mr. KENNEDY. October 4, 1955.

Mr. BLOCK. That is 3 years ago. How can I be so sure where I sent it?

Mr. KENNEDY. Does that refresh your recollection, me reading this off to you?

Mr. BLOCK. I recognize the check. I recognize the transaction, but I do not tell you where I sent the check.

Mr. KENNEDY. Does that refresh your recollection when I read it off to you, that you sent it to Nathan W. Math?

Mr. BLOCK. It doesn't say that I sent it, sir. I don't have my name on it.

Mr. KENNEDY. He got it. It is his signature underneath it, Mr. Block. Does this refresh your recollection as to how the transaction was handled at all?

Mr. BLOCK. I only remember that I sent the check. To who I don't remember.

Mr. KENNEDY. You don't remember that?

Mr. BLOCK. I can't remember to who. It doesn't say.

Mr. KENNEDY. Can we have this made an exhibit for reference?

The CHAIRMAN. It may be made exhibit No. 17 for reference.

(The document referred to was marked "Exhibit No. 17" for reference, and may be found in the files of the select committee.)

Mr. KENNEDY. You had discussions, did you, with Mr. Schwartz and Mr. Math in connection with this contract?

Mr. BLOCK. Which one are you talking about?

Mr. KENNEDY. The contract you just examined.

Mr. BLOCK. I haven't read the contract. I only saw my name there, without signatures.

Mr. KENNEDY. It was the contract signed the 24th of June 1957.

Mr. BLOCK. Around that time I think we did negotiate an agreement.

Mr. KENNEDY. You signed the contract.

Mr. BLOCK. The finest contract in the whole area, the highest rates.

Mr. KENNEDY. I would like to ask Mr. Kopecky, Mr. Chairman, who made an examination of this contract as well as other contracts, whether there is any difference between the Food Fair contract signed by Mr. Nathan W. Math at that time and the other contracts dealing specifically in the area of the pension fund.

The CHAIRMAN. Mr. Kopecky has been previously sworn, and his answers will be evidence.

TESTIMONY OF GEORGE KOPECKY—Resumed

Mr. KOPECKY. Mr. Chairman, local 342, which holds contracts with retail food chains in the New York area—these contracts are, generally, the same in their provisions, with the exception that the other food chains, with 2 exceptions, Food Fair stores and another small retail chain, are not obliged to make payments of \$2 a week into a pension fund until June 1, 1958; and the other 10 firms have been obliged to make these contributions to either a company plan or a union plan since as early as June 1956, indicating that there is a 2-year grace period afforded to Food Fair stores.

Mr. KENNEDY. What is the value of that to the Food Fair stores?

Mr. KOPECKY. Based upon the number of employees—in fact, they don't have to pay to June 1, 1958—it is an annual saving of approximately \$25,000 a year, or a total over the 2-year period of approximately \$50,000.

Mr. KENNEDY. You say the other provisions of the contract are, generally, the same?

Mr. KOPECKY. Yes, sir.

Mr. KENNEDY. That is, as far as any savings?

Mr. KOPECKY. Yes, sir.

TESTIMONY OF MAX BLOCK—Resumed

Mr. KENNEDY. Do you have any comment on that, Mr. Block, where you signed a different contract with Food Fair, giving them a saving of some \$50,000 during the same period of time that you received these stocks and bonds from Food Fair Co.?

Mr. BLOCK. Are you asking me a question or telling me something?

Mr. KENNEDY. I asked you if you had any comment on it.

Mr. BLOCK. I can tell you quite a bit on that. I know your staff, how it works. I know you know how to investigate. But you know that this contract is the highest rate of every one in the city and is the best contract, and there is other unions, too, dealing with the same company in the same markets that don't have our type of conditions in the shop. We have the finest.

Mr. KENNEDY. The only question is why you gave Food Fair this special agreement.

Mr. BLOCK. I didn't give them anything. We don't go to an employer to give him something. We go there to get something for our people. And we get the most we can, under the circumstances. We have always obtained the best conditions for our people. That is one thing you cannot talk about, is conditions in our area, because we get the finest of anybody in the country.

Mr. KENNEDY. That still doesn't answer the question. Why did you give Food Fair a special arrangement, as far as this pension was concerned?

Mr. BLOCK. We don't give. I told you we don't give.

Mr. KENNEDY. You said that.

Mr. BLOCK. A union doesn't give; it takes, and gives it to its members.

The CHAIRMAN. Why didn't you take that \$2 from Food Fair, then?

Mr. BLOCK. Because they didn't want to give it to us.

The CHAIRMAN. I see. All right.

Mr. KENNEDY. You have an interest, do you, in the Stanwich Crest Realty Corp.?

Mr. BLOCK. Yes, sir.

Mr. KENNEDY. What is your interest in that?

Mr. BLOCK. I invested some money in the corporation.

Mr. KENNEDY. How much money have you invested in the Stanwich Crest Realty Corp.?

Mr. BLOCK. To the best of my knowledge, I think it is around \$53,000, but I am not positive on the amount.

Mr. KENNEDY. Have you got some loans, also, with Stanwich?

Mr. BLOCK. I don't know what you mean by that.

Mr. KENNEDY. Have you also made some loans to the Stanwich Crest Realty Corp.?

Mr. BLOCK. I could have. I just don't recollect it.

Mr. KENNEDY. You don't remember that, either?

Mr. BLOCK. I don't have it with me.

Mr. KENNEDY. According to our files, you have investments of and loans amounting to \$78,291.16. Would that be correct?

Mr. BLOCK. It could be, sir.

Mr. KENNEDY. And Louis Block has investments and loans amounting to \$98,250. Do you know that?

Mr. BLOCK. I couldn't answer for him.

Mr. KENNEDY. How many shares do you have?

Mr. BLOCK. In what?

Mr. KENNEDY. In the Stanwich Crest Realty Corp.?

Mr. BLOCK. I am not familiar with the amount of shares.

Mr. KENNEDY. You don't even know how many shares you have?

Mr. BLOCK. I really don't, because I just made the investment, and my brother handles the affairs. I haven't time to do it—

Mr. KENNEDY. Can you swear under oath before this committee, after all the discussions this committee has had on the Stanwich Crest Realty Corp., that you haven't even tried to find out how many shares you have?

Mr. BLOCK. Honest, I didn't.

Mr. KENNEDY. And you don't know at this time how many shares you have in the Stanwich Crest Realty Corp.?

Mr. BLOCK. I have it at my home, and I never looked at it.

Mr. KOPECKY. Mr. Max Block owns 85 shares; Louis Block owns 85 shares; and this accounts for approximately 85 percent of the ownership, and the remaining 30 shares are owned by Mr. Edward Joseph.

Mr. BLOCK. Thank you. Now, I know.

Mr. KENNEDY. According to the testimony before the committee, a number of employers, a number of companies and firms that have contracts with your union have made investments in the Deercrest Country Club, which is owned by the Stanwich Crest Realty Corp. I want to ask you, specifically, about Mr. Charles Hausserman. Did you discuss with Mr. Hausserman the investments, the loan he was to make to the Deercrest Country Club of \$25,000?

Mr. BLOCK. I don't recollect ever talking to him about it.

Mr. KENNEDY. You don't recollect?

Mr. BLOCK. No, sir.

Mr. KENNEDY. Do you deny that you did?

Mr. BLOCK. I don't recollect ever talking to him about it.

Mr. KENNEDY. Do you deny that you ever discussed it with him?

Mr. BLOCK. If I don't recollect, then I can't give you a direct answer.

Mr. KENNEDY. Then you don't deny?

Mr. BLOCK. I don't recollect it.

Mr. KENNEDY. All right. How about the Breslau Packing and Unloading Co.; Harry Breslau made a bond investment of \$5,000. Did you discuss that with him?

Mr. BLOCK. I never did.

Mr. KENNEDY. You never did?

Mr. BLOCK. Not to the best of my knowledge.

Mr. KENNEDY. Do you think it is possible that you might have discussed it with him?

Mr. BLOCK. I discussed it very little. He and I don't get along.

Mr. KENNEDY. Did you discuss that with him?

Mr. BLOCK. I don't recollect at any time discussing that part at all.

Mr. KENNEDY. Do you deny that you discussed that with him, with Harry Breslau?

Mr. BLOCK. I just don't remember, sir.

Mr. KENNEDY. You don't remember that either?

Mr. BLOCK. I don't remember talking to him about any kind of business, except the business that he and I discuss, and it is very seldom.

Mr. KENNEDY. Another employer is Irving Tabak, a \$5,000 bond investment. Did you discuss that with Irving Tabak, who is another employer?

Mr. BLOCK. He happens to be a friend of my family and I never did discuss it with him.

Mr. KENNEDY. You never did discuss it with him?

Mr. BLOCK. It is not a question of an employer. He is a friend.

Mr. KENNEDY. He is also an employer.

Mr. BLOCK. That is all right. There is no harm in him being an employer.

Mr. KENNEDY. Nothing wrong at all. Did you discuss it with him?

Mr. BLOCK. No, sir.

Mr. KENNEDY. You did not?

Mr. BLOCK. No, sir.

Mr. KENNEDY. Well, we got a definite answer. How about Moe Steinmann, an employer. Did you discuss a \$5,000 bond investment with him?

Mr. BLOCK. Moe Steinmann is not an employer.

Mr. KENNEDY. Well, he is a labor-relations director for a company which has contracts.

Mr. BLOCK. He has been a friend of our family for 20 years or more.

Mr. KENNEDY. Did you discuss that with him?

Mr. BLOCK. No, sir.

Mr. KENNEDY. You did not?

Mr. BLOCK. No, sir.

Mr. KENNEDY. You never discussed the \$5,000 bond investment with him?

Mr. BLOCK. To the best of my recollection, I never did.

Mr. KENNEDY. To the best of your recollection, do you think it is possible that you would have discussed it with him?

Mr. BLOCK. Well, I couldn't answer something like that.

Mr. KENNEDY. Why couldn't you answer something like that?

Mr. BLOCK. I beg your pardon?

Mr. KENNEDY. Why couldn't you answer something like that? Did you discuss it with Moe Steinmann?

Mr. BLOCK. You didn't ask it that way, sir.

Mr. KENNEDY. Did you discuss it with Moe Steinmann?

Mr. BLOCK. I don't remember ever discussing it with him.

Mr. KENNEDY. Your memory is awfully bad today.

Mr. BLOCK. It is always good, but I have to be careful, because I want to make sure I tell the truth.

Mr. KENNEDY. What about the \$25,000 bond investment by the International Butchers Union? Did you discuss that with anybody from the international union?

Mr. BLOCK. I did.

Mr. KENNEDY. Who did you discuss it with?

Mr. BLOCK. I was up at the office in Chicago, and I spoke to Mr. Jimmerson, the president, about that. In fact, he mentioned it to me. Then I also remember Gorman coming into his office, and I think the three of us were there, and Pat said, "Say, Max, what do you think of the investment," and I said, "I think it is as good as any other investment for that size and will give you a good return."

So he told me that Joe Sullivan, the lawyer, had suggested or told him it is O. K., it looks all right, however if he could get my guaranty that would secure that definitely. So I said, "I will guarantee anything I will tell you is O. K., and I will go along on the signature."

Mr. KENNEDY. So it was based on your guaranty to the international union that led the international union to loan \$25,000 to the Deercrest Country Club?

Mr. BLOCK. I wouldn't say exactly on my guaranty, but that is the way it worked. However, Gorman called in the lawyer, Sullivan, and they drew up some sort of a letter or whatever it was, and then

I signed it, and that is it, and the return, according to the report from Mr. Gorman, is the best of all their investments of \$8 million.

This \$25,000 investment pays more, percentage-wise.

Mr. KENNEDY. What about Mr. Breslau? According to the testimony, Mr. Block, the contract that Mr. Breslau has dealing with the pension fund—he is one of the individuals who made this \$5,000 bond investment—according to the testimony, the contract, as far as the pension fund is concerned, has not been enforced with his company, and over the period of the past 4 or 5 years, this has amounted to a saving of between \$25,000 and \$30,000.

Mr. BLOCK. Well, wait a couple more years and it will be more. However, he signed a contract like everyone else did, and only last January, when I discovered that he was behind in his payments, I called the president of their association, and they were at the office with their lawyer, I think there was a lawyer with them, and they wanted to settle with me for half payment—I mean to begin to pay from that date.

I insisted the contract reads 1957, in March, that is what everybody owes, or else we will go to arbitration and get the thing straightened out from that angle.

Mr. KENNEDY. Has he paid it yet?

Mr. BLOCK. He hasn't paid it yet. He is still in business. He is not going away. They are a rich outfit.

Mr. KENNEDY. Why has it lasted over a period of 4 or 5 years at a savings to him of some \$25,000 or \$30,000, and it wasn't until after our investigation began of your union that you called him in and started to try to collect?

Mr. BLOCK. Well, that is only your statement. I haven't said that.

Mr. KENNEDY. Say something, then.

Mr. BLOCK. I will. I am not interested in what happened 20 years ago.

Mr. KENNEDY. This isn't 20 years ago. This is in the last 4 or 5 years, a saving of about \$5,000 every year, by the fact that he has not had to pay on his pension and welfare.

Mr. BLOCK. He had a contract with CIO without any pension. That part I don't know if you were told about. After all, you go according to the information you obtained, but you have not been told that. He had a CIO agreement prior with him dealing with 640, and he has never had any pension. The pieceworkers—I was not interested in that. When we had a strike about in 1957, of March, I think it was, and I have all the records here, as an association, we had the strike and the whole industry was tied up until we settled it. He was part of it, and the contract was signed.

Mr. KENNEDY. Mr. Block, that still does not answer the question. You have a contract here calling for pension fund payments, amounting to \$2 per employee.

They were never paid up until the time our investigation started. This was a saving to him of about \$25,000 or \$30,000.

Mr. BLOCK. You must figure from last March he owes that amount of money, and he will pay. He still didn't pay. He claims he shouldn't pay, and the contention of the union is that he pays.

Mr. KENNEDY. He signed a contract. I can't understand why you don't enforce the contract. Here you have him investing \$5,000 in the Deercrest Country Club.

Mr. BLOCK. What do you expect me to do, go in there and shoot him with a gun? I will take him to the proper places where he will have to pay, according to the contract. I will take him to the court and labor board.

Mr. KENNEDY. That is one situation. Then you have Moe Steinmann. Here is another employer that made a \$5,000 bond investment, who also has a contract with your union, and who also has not paid on the pension fund. What is the explanation for that?

Mr. BLOCK. It is very simple. You have a lot of employers that are not paying, that have not bought any bonds from any place. When you negotiate a contract—I don't know if you ever were familiar with negotiating contracts—you negotiate and try and obtain all you can for your people and at the same time you must look out for the industry.

You just don't put them up to the wall because you want it. We are not a bunch of Communists or mobsters, putting the men up to the wall and just get it.

We get fine conditions and if we have a pension set up for a year later, we are not worried about that, as long as the people are satisfied. That is the way it works. We did not get our pension in 20 years ago. The pension is only in existence a couple of years.

Mr. KENNEDY. All I say is this is according to the terms of the contract, that these employers were supposed to pay. The employees probably don't know anything about it. This is a contract that is presented to them.

Yet you—

Mr. BLOCK. Probably, you say.

Mr. KENNEDY. You don't enforce the contract. This isn't a question of smoothing anyone.

Mr. BLOCK. How should we do it, go out there and tell them "You must, because I want it."

You just don't operate that way.

Mr. KENNEDY. Then you don't take a \$5,000 bond investment from them at the same period of time.

Mr. BLOCK. That wasn't a nice thing to say. You know it wasn't that. I could say things, too, but I have respect for you and the committee.

The CHAIRMAN. Here is the question about it. They go out, you representing these men as their bargaining agent, and you make a contract that calls for the employer to pay \$2 a week or a month, is it—

Mr. BLOCK. A week.

The CHAIRMAN. \$2 a week for each employee to go into a pension fund or a welfare fund. That employee you made a contract for thinks those benefits are being paid in.

You go along for 3 or 4 years, and you don't pay in anything, and the employee has been under the impression that he is protected by a pension and welfare fund when he is not, because there has not been a dime paid in for his protection.

So he is the one that is getting shortchanged. Who is profiting by it? You made a contract that you bargained for, and the company signed it, and you signed it. You procured the agreement, presumably for the benefit of your employees. Then you don't enforce the contract. The employee has no pension or welfare fund protection, but the

employer is saving the \$2 on each person each week. In these instances, it counts up in one instance to \$20,000, \$25,000, or \$30,000, where the employees have no protection. That is just not cricket.

Mr. BLOCK. Mr. Chairman, the way you explain it, it sounds plausible.

The CHAIRMAN. It is plausible.

Mr. BLOCK. But wait a minute. I will explain to you how it works. We just don't go out and make agreements. We don't deal for animals or cattle. We are dealing with human beings. Our people know what is signed for and what we negotiated for.

However, you take an incident like the one you asked me in reference to, say, Breslau. You were told a lot of stories here. You had a few disgruntled people, a few disappointed business agents. Too bad. If they would have to run the union, it would be too bad for the organization and for the country. However, you will find them all over. I was in favor of the investigations when I heard about it to begin with. It did a lot of good, and I hope it will do a lot of good in the future. But I hope it is not being used by radicals and different characters that want to cash in on it and turn false witnesses and stuff like that. We run a legitimate organization from its beginning.

Your investigators happen to know that, because they remarked it is the cleanest local union. They didn't know why you are investigating us.

The CHAIRMAN. We are now running it through the suds a little.

Mr. BLOCK. Mr. Chairman.

The CHAIRMAN. Yes.

Mr. BLOCK. When you mentioned about Breslau. I heard some testimony of a fellow that he works day and night, common laborer, \$7,000 a year, just for unloaders, unloading the beef. It was so dramatized. "You have to carry that heavy beef." They would rather work at that, because they like it that way. It is not carrying. It's work all on hooks and on rails. They are working Saturdays, Sundays, and holidays, without any premium pay.

I listened. I read, and all that. Now, I have the proof here. Everything is spelled out. If they work—there are 11 holidays they get paid for. If they work on any one of those holidays they get paid double time above the regular time, and that means triple time for that day's work. Then it is specified above a certain number of cars that they put in per week they get a premium.

Mr. KENNEDY. How do you know that, Mr. Block?

Mr. BLOCK. How do I know that?

Mr. KENNEDY. Yes.

Mr. BLOCK. That is what I negotiated and that is how they are working.

Mr. KENNEDY. That is a term of a contract?

Mr. BLOCK. Yes.

Mr. KENNEDY. Here is another term. "The employer agrees to pay monthly \$2 per week for each employee."

Mr. BLOCK. Yes, sir.

Mr. KENNEDY. Has that been enforced?

Mr. BLOCK. Mr. Kennedy, I explained it to you, didn't I?

Mr. KENNEDY. Yes.

Mr. BLOCK. You know. I know you are smart and you know, but you don't want to know. Naturally, I realize your position, your job. I realize that. But I don't think it is fair to look to distort the whole issue. Our amalgamated union is one of the greatest and most honest unions in the country. I am talking about all the locals of our international.

The CHAIRMAN. Be careful or you will make a self-serving declaration.

Mr. BLOCK. I am satisfied with that statement.

The CHAIRMAN. Let's get back to the cow, now, or the animal, you are dealing with and the men. It would be true that if you had a contract there paying a \$2 pension fund for a cow, nobody would care, because that would become beef.

But you have it here for human beings who are working and getting older and who expect and who think they have some protection, and that their work, their labor, is getting, in addition to their salary, a protection fund for them when the time comes that they will need it. But that is not being enforced. If it was a case where the employer just couldn't pay it without going broke, that would be different. But you have an employer here that is not paying it, that is able to go out and make a \$5,000 bond investment in a company that you have a personal interest in.

So it doesn't look like the human beings are treated much better than the cow who is taken to the slaughter.

Senator GOLDWATER. Mr. Chairman?

The CHAIRMAN. Senator Goldwater.

Senator GOLDWATER. Mr. Block, what is your hourly rate that you negotiated, your average hourly rate that you negotiated?

Mr. BLOCK. Well, now, it depends on whether you are talking about wholesale or retail or both. Which?

Senator GOLDWATER. Let's take the company we are talking about.

Mr. BLOCK. The Food Fair Co.?

Senator GOLDWATER. The company—

Mr. BLOCK. Breslau?

Senator GOLDWATER. Yes, Breslau.

Mr. BLOCK. It is piecework.

Senator GOLDWATER. Piecework?

Mr. BLOCK. Yes, sir.

Senator GOLDWATER. What did you negotiate for them?

Mr. BLOCK. Well, I will explain to them. When we negotiated for the industry as a whole, it is a general contract, and it spells out \$87 per week for 40 hours for luggers. That is all minimum rates.

Senator GOLDWATER. \$87 a week for lugging?

Mr. BLOCK. For luggers, yes, sir.

Senator GOLDWATER. Yes.

Mr. BLOCK. I am giving you the general contract. Then you have, I think, \$97 for drivers. There you have cutters anywhere from about \$97.50 up to about \$140 per week, with over 40 hours and all the fringes, pensions, and all the things that go with it, with vacations, with 11 holidays. This employer that we are talking about has a different business entirely. It is strictly unloading of cars of beef.

Senator GOLDWATER. That is Breslau?

Mr. BLOCK. Breslau.

For years, in days when they didn't have the union in that part of the business they worked unloading, say, for about \$1 per car per man, with no conditions at all.

Since we organized them, we have obtained for them, special rider, schedule B, for that particular industry, and they admitted themselves that they are making anywhere between \$7,000 and \$8,000 a year as luggers.

Senator GOLDWATER. What is the piece rate there?

Mr. BLOCK. I will give you the piece rate. "It is agreed that all railroad cars weighing more than 16,000 pounds shall be considered a full car and shall be paid for," and I am getting to the rates now. Well, \$2.63 per man per car.

Senator GOLDWATER. That is your negotiated rate?

Mr. BLOCK. Another one—

Senator GOLDWATER. Just a moment. That is your negotiated rate on that contract?

Mr. BLOCK. For that one, yes, sir.

Senator GOLDWATER. That contract also carries a provision of welfare and pension funds, does it not?

Mr. BLOCK. Yes, sir.

Senator GOLDWATER. And the employer agreed to pay \$2 a week into this fund per employee?

Mr. BLOCK. A week, for the pension.

Senator GOLDWATER. For the welfare and pension?

Mr. BLOCK. No; the welfare he is contributing all the time. But the pension he is delinquent.

Senator GOLDWATER. What I want to ask you is this: Suppose this company, instead of paying \$2.63, decided they were going to pay \$2.25. What would your union do?

Mr. BLOCK. Well, we would have to fight about that.

Senator GOLDWATER. How would you fight about it?

Mr. BLOCK. Well, it is a question of economic sanctions. Our people would refuse to work.

Senator GOLDWATER. Wouldn't the company, if they paid \$2.25 instead of \$2.63, be in violation of their contract?

Mr. BLOCK. Yes, sir.

Senator GOLDWATER. Aren't they in violation of their contract when they don't pay \$2 a week?

Mr. BLOCK. They are.

Senator GOLDWATER. In the case of \$2.25, in the case of the company trying to get away with \$2.25, I have a feeling you would do something about it, wouldn't you?

Your union members would force you to do something about it, wouldn't they?

Mr. BLOCK. They don't have to force me. I would do it anyway, Senator.

Senator GOLDWATER. Do your union members know that this pension fund has not been paid into by this company?

Mr. BLOCK. I imagine they do.

Senator GOLDWATER. Do you know if they do or not?

Mr. BLOCK. Now, Mr. Senator, the contract provides—and they all get a copy of the agreement. The agreement says yes. When I discovered that he did not pay, he owes the money, as I stated before, and

I think the employer involved stated the same thing under oath, I called the president of their association, and he came to the office, and we had this hassle. I claimed he owes in full, and he wanted to pay as in January, and my argument is that he owes in full and he will have to pay even if we go to the courts. That is about the size of it.

Senator GOLDWATER. When was this contract signed?

Mr. BLOCK. March 17, it says, 1957. I think that is what it says. I want to make sure.

Senator GOLDWATER. Was this same provision in the prior contract?

Mr. BLOCK. I have not negotiated for this company in the prior contract, sir.

Senator GOLDWATER. Was it in the prior contract?

Mr. BLOCK. The pension?

No, sir.

Senator GOLDWATER. It wasn't in the prior contract?

Mr. BLOCK. No, sir. That is, from the information I have obtained. I did not negotiate that.

Senator GOLDWATER. In your position with the union, would not you know?

Mr. BLOCK. I know it did not.

Senator GOLDWATER. You know that the prior contracts did not contain the provision for the pension fund?

Mr. BLOCK. That is right.

Mr. KENNEDY. We understand to the contrary. Are you sure of that?

Mr. BLOCK. I beg your pardon?

Mr. KENNEDY. We were told by Mr. Breslau himself that this provision was in the prior contract, going back to 1952.

Mr. BLOCK. If he has a contract that shows, I would agree, but I just don't recollect anything like that.

The CHAIRMAN. How much are you trying to collect off of him, just from March 1957?

Mr. BLOCK. That is the only time he signed for it, and that is what he should pay.

The CHAIRMAN. You are not trying to collect the other?

Mr. BLOCK. I don't know of any other.

Mr. KENNEDY. He knows about it. It goes back to 1952 and you have not collected since then.

Mr. BLOCK. If he wants to be generous, O. K., we will take it.

Mr. KENNEDY. What about the employees who are not covered?

Mr. BLOCK. They are covered.

Mr. KENNEDY. They are not covered.

Mr. BLOCK. Yes; they are.

Mr. KENNEDY. How can they be covered when there have been no payments?

Mr. BLOCK. They are covered by the fund, not by the individual payment that the employer would send in.

Mr. KENNEDY. They are all covered?

Mr. BLOCK. Definitely.

Mr. KENNEDY. They are covered back to 1952?

Mr. BLOCK. They are covered according to the rules for the pension plan.

Senator GOLDWATER. Where do the funds for this pension plan come from?

Mr. BLOCK. From the employers.

Senator GOLDWATER. There hasn't been any money paid into it.

Mr. BLOCK. Only by a couple of companies who are small in number.

Senator GOLDWATER. I am talking about Breslau.

Mr. BLOCK. He would pay into the general fund.

Senator GOLDWATER. You are supposed to pay into the pension fund.

Mr. BLOCK. Into the general pension fund I am talking about.

Senator GOLDWATER. How do you keep that on your books, in the general fund or separate for each group?

Mr. BLOCK. That is in the general fund for the whole fund.

Senator GOLDWATER. Let's suppose you have some retirements that would tax this pension fund to the limit and along came some of Breslau's employees who wanted to get in on the pension fund. Where would you get the money from then?

Mr. BLOCK. From the same fund.

Senator GOLDWATER. Suppose the fund were exhausted?

Mr. BLOCK. It couldn't be. We have enough money to cover it.

Senator GOLDWATER. It could be, if actuarially you know that, and if everyone pays for it.

Mr. BLOCK. Everyone is contributing, with the exception of some delinquents, and everyone is not covered. We have a few companies that are not covered for various reasons, like seasonal workers out in Long Island.

Senator GOLDWATER. I want to get back to this question of what you would do as a union official if Breslau tried to pay \$2.25 instead of \$2.63.

Mr. BLOCK. We would take him to arbitration.

Senator GOLDWATER. You would take it to arbitration.

Mr. BLOCK. Yes, sir, according to the agreement.

Senator GOLDWATER. Even though they broke their contract?

Mr. BLOCK. Well, there is no other way. We have protection. We just don't pull wildcat strikes.

Senator GOLDWATER. You can't take pension nonpayment to arbitration, very well, can you?

Mr. BLOCK. We can do so.

Senator GOLDWATER. Can't you demand that they fulfill that part of their contract?

Mr. BLOCK. That is my demand. I demanded it.

Senator GOLDWATER. You demanded it in January?

Mr. BLOCK. Well, we have had a number of meetings after that.

Senator GOLDWATER. What is their reason for not paying?

Mr. BLOCK. He claims he is giving them better benefits than anybody else. That is his argument. He has no argument really, as far as I am concerned.

Senator GOLDWATER. He signed the contract. He cannot use that as an argument. He knew what he was signing.

Mr. BLOCK. That is what I said. That is my argument to him.

Senator GOLDWATER. And he is not fulfilling the contract. You started in January trying to get it from him and now it is going on June 1.

Mr. BLOCK. We will get it.

Senator GOLDWATER. How do you know you will get it? What agreement do you have with him that you will get it?

Mr. BLOCK. Don't have a private agreement that I will get it. I will get it because we are taking it to arbitration, and he can't win the case. We must win.

Senator GOLDWATER. Why did you wait until January to make any effort to get this?

Mr. BLOCK. That is when I discovered it, that he was not paying in.

Senator GOLDWATER. Doesn't your treasurer have some duties in respect to reporting to you?

Mr. BLOCK. Well, Senator, we have a large organization, we have a lot of people working in the office, and there are errors at times. It may take a little longer to discover something.

Senator GOLDWATER. I went through a union headquarters the other day that publishes a monthly statement, and it is a much larger union than yours.

Mr. BLOCK. A monthly statement for what?

Senator GOLDWATER. On all their financial transactions. They know who is paying their dues and who is not paying their dues, they know who is paying pension and who is not paying pension.

Mr. BLOCK. We know it, too.

Senator GOLDWATER. If you knew about it, why didn't you do something about it.

Mr. BLOCK. I didn't know about this until they brought it to my attention.

Senator GOLDWATER. Did you know about others?

Mr. BLOCK. Others who were delinquent.

Senator GOLDWATER. What did you do about that?

Mr. BLOCK. The same thing. We notified them, called them in, and they paid up, whatever they owed.

Senator GOLDWATER. How many contracts do you have that are delinquent on their pension fund, their pension payments?

Mr. BLOCK. I couldn't give you, because I don't know exactly right now.

Senator GOLDWATER. Can we get a list from you of the delinquents?

Mr. BLOCK. The list was given to Mr. Kopecky on his request.

Senator GOLDWATER. It seems rather strange to me, Mr. Chairman, that an official of a union who has negotiated a contract will not pay attention to one portion of the contract when it is quite evident that they would on another portion that applies to wages. As a member of this committee, I am not satisfied with his explanation of this at all.

The CHAIRMAN. Proceed, Mr. Kennedy.

Mr. KENNEDY. Senator, I might also say on that, from what we understand, if the insurance company finds that the funds have not been paid in, as they are supposed to be under the contract, it will not honor a claim, so that these employees are without protection.

Senator GOLDWATER. What insurance company is this being insured with?

Mr. KENNEDY. Connecticut General Life Insurance Co., which, incidentally, took a \$350,000 mortgage on Mr. Block's country club.

Senator GOLDWATER. Do they know about this delinquency?

Mr. KENNEDY. I do not know whether they do or not. Probably not, up until now.

Mr. Block, did you also approach some of the employers to become members of your country club?

Mr. BLOCK. I don't own a country club, sir.

Senator GOLDWATER. Well, the Stanwich Crest Realty Corp., which owns the country club, the country club that is on the Stanwich Crest Realty Corp. ground. Did you approach any employers to become members of that country club?

Mr. BLOCK. I don't think I would ever approach anybody.

Senator GOLDWATER. Did you?

Mr. BLOCK. They can become members as well as anybody else.

Senator GOLDWATER. Did you approach any employers to become members of the country club?

Mr. BLOCK. I don't recollect any of them.

Senator GOLDWATER. You don't recollect?

Mr. BLOCK. No, sir.

Senator GOLDWATER. How about Mr. Breslau? Did you approach him

Mr. BLOCK. I did not approach him or anybody else, I don't think.

Senator GOLDWATER. You don't think? You can't deny that you did.

Mr. BLOCK. I can't remember it. I told you I don't get along with Mr. Breslau to begin with.

Senator GOLDWATER. How about Mr. Barney Lubeck, of Grand Union Co. Did you approach him about becoming a member of your country club?

Mr. BLOCK. No, sir.

Senator GOLDWATER. The answer is what?

Mr. BLOCK. No, sir.

Senator GOLDWATER. You did not?

Mr. BLOCK. No, sir.

Senator GOLDWATER. Did you approach any other employers?

Mr. BLOCK. I just don't recollect any of that stuff because I don't do any of these things.

Senator GOLDWATER. We had two employers who testified before the committee who said they became members of the country club and hardly ever use it, and they don't even live in the vicinity. Would you explain why they became members of the country club?

Mr. BLOCK. You should have asked them that, sir. I don't know.

Senator GOLDWATER. I am trying to get help from you on that.

Mr. BLOCK. I am trying to give you all the help I can, but I don't know what it is.

Senator GOLDWATER. One employer said he visited the country club once last year, and it cost him \$1,000 for 1 visit. He said he visited approximately three times the year before, and he said he never played golf. The other employer didn't even live in the vicinity. What I am trying to find out is this: Here you have this country club, with the investment by the insurance agency, the investment by the insurance company, the investment by the four employers, the investment by the international union, and then the membership by employers. I am trying to get an explanation. We find on the other hand that some of these employers have not had their contracts enforced.

It creates a very peculiar situation, to say the least; does it not?

Mr. BLOCK. That is how you put it. I don't interfere, and I am not mixed up in any business. But it is no crime in this country to have invested a few dollars in something, in the stock market or anything else. I would rather do this than go out and stick up some employer or shake him down.

Senator GOLDWATER. Well, if that is your choice, maybe you are right.

Mr. BLOCK. I am entitled to make a legitimate dollar.

Senator GOLDWATER. Speaking of making a legitimate dollar, Mr. Block, how many automobiles have you had from the union since 1950?

Mr. BLOCK. Do you mean how many did I have?

Senator GOLDWATER. Yes.

Mr. BLOCK. Personally?

Senator GOLDWATER. How many have been purchased for you by the union?

Mr. BLOCK. I don't recollect. Unless you can give me some specific ones, I will be able to answer you—

Senator GOLDWATER. You don't recollect this at all either?

Mr. BLOCK. You will have to give me specific, because we have been pretty busy all these years, organizing, using a lot of cars.

Senator GOLDWATER. How many automobiles did you have?

Let's take from 1950. Can you recollect how many automobiles were purchased for you by the union, how many automobiles in 1957, for instance?

Mr. BLOCK. How many in 1957?

Senator GOLDWATER. How many in 1957?

Mr. BLOCK. I don't know how many in 1957.

Senator GOLDWATER. Let's take the year before that, 1956.

Mr. BLOCK. I really don't understand the question. You have the records and you know.

Senator GOLDWATER. I am trying to get some help from you.

Mr. BLOCK. I want to help you. I know you don't need too much help. You are in good shape there. You got the records. I just don't understand the questions. It sounds like someone was buying me automobiles and I would sell them and pocket the money or—

Senator GOLDWATER. I have never suggested that.

Mr. BLOCK. That is what it sounds like. It doesn't sound right.

Senator GOLDWATER. All I asked you was how many automobiles you had in 1956.

Mr. BLOCK. I had one car, a 1955 Cadillac that I use.

Senator GOLDWATER. A 1955 Cadillac. Do you still have that?

Mr. BLOCK. Yes, sir.

Senator GOLDWATER. Was that purchased for you by the union?

Mr. BLOCK. Yes, sir.

Senator GOLDWATER. Now we are getting an answer. Are there any others? 1956?

Mr. BLOCK. Well, that is all I have.

Senator GOLDWATER. That is the only one you have?

Mr. BLOCK. Yes, sir.

Senator GOLDWATER. What about 1955?

Mr. BLOCK. What do you want to know about that? That was the 1955 Cadillac. That is the one.

Senator GOLDWATER. Did you have any other automobiles in 1955, purchased for you by the union?

Mr. BLOCK. No, sir.

Senator GOLDWATER. You did not?

Mr. BLOCK. The records may look a little different, because I may have had a car or two in my name, because all the cars that we had in the union is put in the names of the individuals that drive that or use it because to keep it in their own private garages and also save insurance down the line.

Senator GOLDWATER. How many automobiles were in your name in 1955, union automobiles, automobiles purchased by the union and registered in your name? How many in 1955?

Mr. BLOCK. There could have been three.

Senator GOLDWATER. Three automobiles?

Mr. BLOCK. There could have been.

Senator GOLDWATER. Was it?

Mr. BLOCK. There was an old 1952 Cadillac.

Senator GOLDWATER. An old 1952 Cadillac.

Mr. BLOCK. A 1955 Cadillac, and there may have been a 1955 Buick.

Senator GOLDWATER. And they were all in your name?

Mr. BLOCK. The 1952 Cadillac was sold, the money went back to the local. The 1955 Buick, or the 1956 Buick, went back—

Senator GOLDWATER. You said a 1955 Buick.

Mr. BLOCK. I beg your pardon?

Senator GOLDWATER. You said a 1955 Buick. Was there a 1955 Buick also?

Mr. BLOCK. I think there was.

Senator GOLDWATER. What happened to the 1955 Buick?

Mr. BLOCK. I know you wanted to know that. That is why I waited.

Senator GOLDWATER. You knew I would want to know that?

Mr. BLOCK. I will say it. That one was wrecked.

Senator GOLDWATER. Let's find out. When was it purchased?

Mr. BLOCK. I think it was in 1955.

Senator GOLDWATER. October 26, 1955?

Mr. BLOCK. It could be.

Senator GOLDWATER. October 26, 1955. Do you know what the cost was?

Mr. BLOCK. No; I don't. Exactly I could not tell you.

Senator GOLDWATER. \$2,925.23.

Mr. BLOCK. That could be right.

Senator GOLDWATER. That was purchased October 26, 1955. You say it was wrecked?

Mr. BLOCK. Yes, sir.

Senator GOLDWATER. By whom was it wrecked?

Mr. BLOCK. My son.

Senator GOLDWATER. By your son. When was it wrecked?

Mr. BLOCK. Some time in 1955, I think. I am not positive. I know it was not too far off.

Senator GOLDWATER. This was an automobile that was purchased by the union and wrecked by your son on November 28, 1955; would that be right?

Mr. BLOCK. Yes, sir.

Mr. KENNEDY. Was the automobile insured?

Mr. BLOCK. Yes, sir.

Mr. KENNEDY. Who was paying the insurance?

Mr. BLOCK. Maybe I paid it; I am not sure.

Mr. KENNEDY. The union paid?

Mr. BLOCK. Maybe.

Mr. KENNEDY. The record shows the union paid it.

Mr. BLOCK. If the record shows, that is what it is.

Mr. KENNEDY. Then the insurance company issued a check for that automobile?

Mr. BLOCK. Subsequently.

Mr. KENNEDY. In 1956, on March 5, 1956; is that right?

Mr. BLOCK. It could be.

Mr. KENNEDY. And the check was for \$2,450?

Mr. BLOCK. About that.

Mr. KENNEDY. Did you turn that immediately over to the union?

Mr. BLOCK. I wanted to replace the car, by another car for it. After all, the car was wrecked.

Mr. KENNEDY. The question was, did you turn the check over to the union?

Mr. BLOCK. I deposited it in my account.

Mr. KENNEDY. You deposited the \$2,000—

Mr. BLOCK. Yes, sir; in my name.

Mr. KENNEDY. You deposited that \$2,000 in your own bank account?

Mr. BLOCK. The family's.

Mr. KENNEDY. The family's bank account. You didn't use that money to purchase the shares of Food Fair properties, did you?

Mr. BLOCK. I couldn't tell you. But I had to go and buy another car for \$2,800, which I replaced back into the union. I didn't want the union to lose any money on the deal.

Mr. KENNEDY. Yes; I want to follow this with you. Let's go slowly.

Senator GOLDWATER. Was that car carried on the books as president of the union?

Mr. KENNEDY. Yes; it was. That is of some interest, too, as we go along. That was carried on the books.

Mr. BLOCK, according to the records that we have, this check was used to purchase 400 shares of stock of Food Fair properties on July 31, 1956.

Mr. BLOCK. That isn't a crime, buying shares with the check or depositing it. I wasn't sure what I did with it.

Mr. KENNEDY. I don't know that it is a crime if you use your own money.

Mr. BLOCK. Yes; I am. I bought the car and paid for the other car. What difference does it make if the check was used or cash was used?

Mr. KENNEDY. Wait a minute. As of this time, no automobile had been purchased. You received the check on March 5, 1956. This is some 4 months later, and no automobile had been purchased by this time. This money, then, was used to purchase 400 shares of stock of the Food Fair properties for a total cost of \$2,048.05.

Mr. BLOCK. This check was used?

Mr. KENNEDY. Yes.

Mr. BLOCK. How was that?

Mr. KENNEDY. Then there was a refund on that of \$401.95.

Mr. BLOCK. Could be.

Mr. KENNEDY. Yes, and that went to you by check dated August 7, 1956. Do you remember that; \$401.95?

Mr. BLOCK. Do I remember what?

The CHAIRMAN. The Chair presents to you a check drawn payable to you, March 5, 1956, for \$2,450, drawn on the Citizens Insurance Company of New Jersey. I will ask you to examine the check and state if you can identify it.

(Document handed to the witness.)

(At this point, witness conferred with counsel.)

The CHAIRMAN. Is that the check you got from the insurance company for the loss of the car?

Mr. BLOCK. You may be right, sir. It has my signature on the back of it.

The CHAIRMAN. It has your signature on the back of it?

Mr. BLOCK. Yes.

The CHAIRMAN. You endorsed it?

(At this point, witness conferred with counsel.)

Mr. BLOCK. Yes, sir.

The CHAIRMAN. That check may be made exhibit 18.

(Document referred to was marked "Exhibit No. 18" for identification, and will be found in the appendix on p. 11764.)

The CHAIRMAN. As I understand it, that check was deposited in your personal account?

Mr. KENNEDY. No, Mr. Chairman; the check was used to purchase the Food Fair property stock. This \$2,450 check came from the insurance company for the demolishing of the automobile; was then used for the Food Fair property stock, which only amounted to \$2,048.05. Therefore, there was a refund to the Blocks, and that is the check for refund.

The CHAIRMAN. Did you use that check to buy that stock?

Mr. BLOCK. I suppose so, if Mr. Kennedy says so. He has the records.

The CHAIRMAN. Then did you get a check back from the stock purchase?

Mr. BLOCK. If the record shows that, Mr. Chairman, I received it.

The CHAIRMAN. I hand you a check for \$401.95, dated August 7, 1956, made payable to you, and drawn on the Harris, Upham & Company, 120 Broadway, New York. I will ask you to examine that check and state if you identify it.

Mr. BLOCK. My signature is on the back of it. That is true.

The CHAIRMAN. That check may be made exhibit 19.

(Document referred to was marked "Exhibit No. 19" for reference, and will be found in the appendix on p. 11765-11766.)

Mr. KENNEDY. What did you do with the \$401.95?

Mr. BLOCK. I don't know what I did with it.

Mr. KENNEDY. The record shows it was deposited in your wife's bank account.

Mr. BLOCK. If it shows, that is what it was.

Mr. KENNEDY. That was on August 13, 1956.

Mr. BLOCK. Do you want to get an answer to that?

(At this point, witness conferred with counsel.)

Mr. KENNEDY. Mr. Block, this automobile which was wrecked in 1955 was, according to the information we have, carried on the books and records of the local union as an asset up until December 31, 1957. Do you have any explanation for that?

Mr. BLOCK. I didn't get the question. It was a long one.

Mr. KENNEDY. This automobile was carried on the books and records of the local union as an asset as late as December 31, 1957. That is, this automobile, which was wrecked in November of 1955, was carried as an asset on the books and records of the local union 2 years later, to December 31, 1957. Do you have any explanation for that?

Mr. BLOCK. Well, I couldn't give you an explanation. I imagine they made a mistake and forgot to just get it off the record. But the 1956 car was put in in place of the 1955, which I replaced. I guess they continued carrying it that way. I couldn't tell you. I am not familiar with books.

Mr. KENNEDY. Did you say you purchased a 1956 automobile?

Mr. BLOCK. Yes, sir.

Mr. KENNEDY. Who selected that automobile?

Mr. BLOCK. That one?

Mr. KENNEDY. Yes.

Mr. BLOCK. I—

Mr. KENNEDY. What we have so far, Mr. Block, is that the union automobile was purchased by the union, was taken a month after it was purchased, and wrecked by your son. The insurance company then paid some \$2,450 for the wreckage, and that money was deposited in what amounted to your own personal bank account. It was used by you to make some personal purchases. That is what the situation is, as of December 31, 1957.

Mr. BLOCK. But you understand the whole story.

Mr. KENNEDY. We have found no other automobile in the books and records of the union as of the time we began our investigation.

After December 31, 1957, as I understand it, you then transferred one of your own automobiles to the union, which was in 1958; is that right?

Mr. BLOCK. No, sir; it wasn't like that.

Mr. KENNEDY. Did you transfer an automobile from your own name to the union's name in 1958 after we began our investigation?

Mr. BLOCK. Now, you see, the question again is a little bit misleading.

Mr. KENNEDY. Just answer the question, and then you can give any explanation.

Mr. BLOCK. I know what you want me to answer.

Mr. KENNEDY. Isn't it correct that you transferred an automobile into the name of the union in 1958 after we began our investigation?

Mr. BLOCK. It was in the name of the union all the time it was carried on the books as an asset.

Mr. KENNEDY. No.

Mr. BLOCK. However—

Mr. KENNEDY. Wait a minute. Mr. Block, are you saying that under oath; that it was in the books and records of the union; this other automobile?

Mr. BLOCK. I am just saying it. I could not give you a definite answer as to how it is carried, because I don't handle the books.

Mr. KENNEDY. The only automobile that was carried in the books and records was the automobile of 1955 which was wrecked and which you carried the insurance on.

Mr. BLOCK. But I replaced it with a 1956 Buick.

Mr. KENNEDY. You say you replaced it. You didn't transfer any automobile to the books and records of the union or to the ownership of the union until 1958, after we began our investigation of this transaction?

Mr. BLOCK. It was just a coincidence, Mr. Kennedy.

Mr. KENNEDY. Just a coincidence?

Mr. BLOCK. I will tell you why. There was a rule in the union made that we get rid of all the cars and we hire cars for the business agents. This car is still around, and there is one business agent that has it in his name because he lives in New Jersey. That is why the license was in his name now. He used to live in the city someplace. So, we didn't want to change the license until it came due.

Mr. KENNEDY. When you got the money from the insurance company—this is a very simple question—instead of using the money for your own personal purposes, why didn't you transfer the money to the union?

Mr. BLOCK. I didn't feel that the union should lose a few hundred dollars on the deal because my kid took the car and wrecked it, so I wanted to replace the car. They paid for the other one, I think, \$2,800 or \$2,900, also.

Mr. KENNEDY. You say it is just a coincidence that you never transferred the automobile to the union until 1958?

Mr. BLOCK. We all had the cars in the names of the people that drive them or use them. That is how we are able to save money. garage bills, and, also, on insurance and all that.

Mr. KENNEDY. Did some union official pick out this automobile that you transferred in 1958?

Mr. BLOCK. We usually don't pick cars.

Mr. KENNEDY. Who selected this automobile?

Mr. BLOCK. Whoever goes to pick it up, picks it up, if it is there to be picked, or else I tell them on the phone what he should give them. I usually look for a plain, simple car.

Mr. KENNEDY. Who selected that automobile?

Mr. BLOCK. I can't tell you. I don't remember.

Mr. KENNEDY. The record shows that your son, Alvin Block, went down and selected this automobile in 1956; that, after the wreckage of the other automobile, he went down and selected a new one; that he then elected to pay for the new automobile, and the checks that were used to pay for it say that it is Alvin Block's car. If this is an automobile belonging to the union, it is a very peculiar way to describe it, as your son's automobile.

Mr. BLOCK. Say it again, Mr. Kennedy; I didn't get the remark.

Mr. KENNEDY. We will take it by parts. The automobile that was purchased in 1956 was purchased by your son, Alvin Block.

Mr. BLOCK. No, sir. I don't care how anyone says. It isn't so, because the car belongs to the union, and he doesn't drive it.

The CHAIRMAN. I hand you a document that says:

New car contract, by Herbert J. Caplan, Inc. The beautiful buy. Customer's last name: Block, Alvin Albert.

It seems to be signed by Alvin Albert Block.

Mr. BLOCK. I sent him to pick the car up.

The CHAIRMAN. It is dated May 17, 1956. The total price is \$2,-838.43. I ask you to examine this photostatic copy of the contract to which I have referred, and state whether you identify your son's signature on it.

(Document was handed to the witness.)

(At this point, witness conferred with counsel.)

Mr. BLOCK. You want to get an answer, Mr. Chairman?

The CHAIRMAN. Yes, please.

Mr. BLOCK. Or Mr. Kennedy?

The CHAIRMAN. Is that your son's signature?

Mr. BLOCK. Mr. Chairman—

Sold to Mr. Max Block, 50 Broadview Avenue, New Rochelle, N. Y.

I sent the boy to pick the car up because I don't have any license, so I sent him to pick it up for me, so he had to sign on the pickup slip, I imagine. Here it is. It says:

Sold to Mr. Max Block.

The CHAIRMAN. All right. We will accept that. But is that your son's signature?

Mr. BLOCK. Well, I couldn't tell you that. I never saw his signature. I couldn't tell you. I suppose it was.

The CHAIRMAN. Was your son a minor at the time, or is he more than 21 years old?

Mr. BLOCK. He is more than 21 now.

The CHAIRMAN. How about at that time?

Mr. BLOCK. I couldn't tell you. Let's think back. He should have been below 21 then. He bought it late in 1956? He must have been around 20 years old.

(At this point, witness conferred with counsel.)

Mr. KENNEDY. So, he was under 21?

Mr. BLOCK. I beg your pardon?

Mr. KENNEDY. He was under 21 at the time?

Mr. BLOCK. I imagine so; yes, sir.

The CHAIRMAN. That may be made exhibit No. 20.

(Document referred to was marked "Exhibit No. 20" for identification, and may be found in the files of the select committee.)

Mr. KENNEDY. You say you sent your son down to pick up the car?

Mr. BLOCK. Yes, sir.

Mr. KENNEDY. Mr. Block, there is a \$10 charge here; \$10, which is called delivery charge.

Mr. BLOCK. What about that?

Mr. KENNEDY. You said you sent your son down. The only reason his name appears there, you said, was that you sent your son down to pick up the car. You were charged \$10 for delivering the automobile.

Mr. BLOCK. They must have cheated me out of the \$10.

Mr. KENNEDY. That is the only explanation you have for that?

Mr. BLOCK. I don't know. They may have charged me \$10 anyhow.

Mr. KENNEDY. How was this car paid for? By your son?

Mr. BLOCK. I went and loaned money——

Mr. KENNEDY. Just answer the question. Was the automobile paid for by your son?

Mr. BLOCK. Not all.

Mr. KENNEDY. But part of it?

Mr. BLOCK. Yes, sir.

Mr. KENNEDY. I would like to show you some checks.

The CHAIRMAN. I present you 3 photostatic copies of checks, one dated March 25, 1957; another dated May 24, 1957; another dated June 21, 1957. Each of them is in the amount of \$113. The checks are made payable to Alvin Block, and signed by Martin Zietler, trustee, Wells Foods, Inc. I will ask you to examine these checks and state if you identify them. Also, read the endorsement on the reverse side of them.

(Documents were handed to the witness.)

(At this point, witness conferred with counsel.)

The CHAIRMAN. Do you identify the checks?

Mr. BLOCK. No, sir; but I have an idea. I can't identify it. It isn't my signature. So it moves that my boy is paying the payments; isn't he?

Mr. KENNEDY. Would you read the endorsement on the back? See if that sounds like it is a car belonging to the union.

Mr. BLOCK. What has the car got to do with the payments?

Mr. KENNEDY. Go ahead. Just read that.

Mr. BLOCK. I can't read it. It is very pale.

(At this point, witness conferred with counsel.)

Mr. KENNEDY (reading):

This is in payment to the Manufacturers Trust Co. for my car for the month of March 1957.

This is the payment on my car for the month of May 1957, to Manufacturers Trust Co.

This is for Alvin Block's car payment for the month——

Would you read those out?

Mr. BLOCK (reading):

This is check in payment——

he got a little scribbly there——

Alvin Block's car——

Mr. KENNEDY. Alvin Block's car?

Mr. BLOCK. Something like that.

Mr. KENNEDY. Exactly like that.

Mr. BLOCK. Well, I didn't write it, so I wouldn't know.

This is in payment to the Manufacturers Trust Co.——

is that it?——

for my car.

The CHAIRMAN. They are all endorsed by Alvin Block, aren't they?

Mr. BLOCK. Well, it is his name.

The CHAIRMAN. All right. We will accept that.

His name and in payment for his car, is that what they say?

Mr. BLOCK. That is the way it reads, sir.

The CHAIRMAN. All right. These checks may be made exhibit 21 (A), (B), and (C), according to dates.

(Documents referred to were marked "Exhibits Nos. 21 (A), (B), and (C)," respectively, for identification, and will be found in the appendix on p. 11767-11769.)

The CHAIRMAN. The committee will stand in recess until 2 o'clock.

(Whereupon, at 12:25 p. m., Tuesday, May 27, 1958, the committee recessed to reconvene at 2 p. m., same day.)

(At this point, members of the committee present were: Senators McClellan and Goldwater.)

AFTERNOON SESSION

(At the reconvening of the session, the following members were present: Senators McClellan and Curtis.)

The CHAIRMAN. The committee will come to order.

Mr. Block, come forward, please.

TESTIMONY OF MAX BLOCK—Resumed

The CHAIRMAN. All right, Mr. Kennedy, proceed.

Mr. KENNEDY. Mr. Chairman, Mr. Block has a check that he wants to have placed in the record dealing with the purchase of the automobile that we discussed this morning, indicating, I believe, that he purchased or paid for the automobile, and the checks that we put in show that his son repaid him for the automobile. I believe that is the check, Mr. Chairman.

You borrowed the money, Mr. Block?

Mr. BLOCK. Yes, sir.

The CHAIRMAN. I present you a photostat of a check and ask you to identify it and explain it, state what it is.

(The document was handed to the witness.)

(The witness conferred with his counsel.)

Mr. BLOCK. This check was used to buy the automobile.

The CHAIRMAN. It is a photostatic copy of the check, is that right?

Mr. BLOCK. Yes, sir.

The CHAIRMAN. It may be made exhibit No. 22.

(The document referred to was marked "Exhibit No. 22" for reference and will be found in the appendix on p. 11770.)

Mr. KENNEDY. You borrowed the money from the bank, did you?

Mr. BLOCK. From the bank.

Mr. KENNEDY. This is the check for the money you borrowed?

Mr. BLOCK. Yes, sir.

Mr. KENNEDY. Who repaid the bank for the money?

Mr. BLOCK. Some, my son, and some, I did, or my wife.

Mr. KENNEDY. Your son and your wife; is that right? Your son and your wife?

Mr. BLOCK. Something like that.

Mr. KENNEDY. Your son at that time was placed on the payroll of your son-in-law's company; is that right?

Mr. BLOCK. He was not placed on his payroll.

Mr. KENNEDY. Did he go to work for your son-in-law?

Mr. BLOCK. He works for him, and his name, I think, is in the corporation.

Mr. KENNEDY. Had he worked for your son-in-law prior to this time?

Mr. BLOCK. Oh, yes.

Mr. KENNEDY. He only worked there for a day or day and a half of each week; is that right?

Mr. BLOCK. I couldn't answer you that. I don't pay attention how much he works or how much he doesn't work.

Mr. KENNEDY. The only reason I am raising this question is that after he went on the payroll, the check that came out of this company was then used to pay off the bank loan which was used to purchase the automobile, and, of course, was deducted as a business expense. I did not know whether that had all been arranged before.

Mr. BLOCK. No, sir; that is his pay. He draws about \$50 a week for his work as earnings. He sells corrugated boxes.

Mr. KENNEDY. According to your son-in-law, he was not there very often, and I was wondering if that had been arranged before.

Mr. BLOCK. No; he is out on the road. He doesn't work in the office.

Mr. KENNEDY. Mr. Block, tell me again why you did not transfer this automobile until 1958 over to the union?

Mr. BLOCK. All the cars we had was in the names of the people that used it.

Mr. KENNEDY. And at least in 1955 you had three automobiles in your name, is that right, and this was one of those?

Mr. BLOCK. That is right.

Mr. KENNEDY. Was this the only automobile belonging to the union that your son had an accident in?

Mr. BLOCK. Well, that is the only one I can recollect.

Mr. KENNEDY. Didn't he also have an accident in your 1951 Chrysler that was purchased for you by the union?

Mr. BLOCK. I don't believe it was purchased by the union.

Mr. KENNEDY. It was purchased on June 19, 1951, by local 342, for \$3,657.

Mr. BLOCK. I don't recollect anything like that.

Mr. KENNEDY. You don't recollect that?

Mr. BLOCK. No, sir.

Mr. KENNEDY. That is a 1951 Chrysler that you had.

Mr. BLOCK. I don't know who bought that car.

Mr. KENNEDY. The union purchased the automobile and your son had an accident in that a year before he had the accident in your 1955 Buick, or the union's 1955 Buick.

Mr. BLOCK. Well, I explained how it happened with the Buick.

Mr. KENNEDY. Was he also driving—he evidently was also driving this 1951 Chrysler which belonged to the union, on which the union was paying the insurance.

Mr. BLOCK. That couldn't be. He would have been about 15 years old then, or maybe 14. How could he have driven a car?

Mr. KENNEDY. He was age 17 and he wrecked the automobile on July 23, 1954. Here is the adjustment bureau's report on it.

Mr. BLOCK. I can't recollect that one.

The CHAIRMAN. This document that I hold in my hand is a photostatic copy of General Adjustment Bureau, Inc., adjuster's final re-

port, made to World Fire & Marine Insurance Co. It is dated August 13, 1954, showing the date of the loss as July 23, 1954, and under the title "Origin," it says:

This is a collision loss, which occurred on July 23, 1954, about 2:30 p. m., on Mamaroneck Road in White Plains, when the car driven by insured son, Alvin Block, age 17, crashed into a car in front of him.

Do you recall that incident, Mr. Block?

Mr. BLOCK. I don't recall it.

(The witness conferred with his counsel.)

The CHAIRMAN. Do you recall getting a settlement for that collision?

Mr. BLOCK. I don't recall that.

The CHAIRMAN. May I ask the counsel if this was a company car?

Was this a union car or in the name of Mr. Block?

Mr. KENNEDY. This was in the name of Mr. Block.

Mr. Block, was it not purchased by the union for you?

Mr. BLOCK. I don't think so.

Mr. KENNEDY. Did you have an automobile purchased in 1951 for you by the union?

Mr. BLOCK. I don't recollect the union buying any cars for me in 1951.

Mr. KENNEDY. Did you purchase an automobile yourself in 1951?

Mr. BLOCK. I don't think so.

Mr. KENNEDY. Here you have an automobile that is a 1951, Mr. Block, driven by your son. It is a 1951 Chrysler.

(The witness conferred with his counsel.)

Mr. KENNEDY. Mr. Chairman, one of the problems is that there are no union records prior to 1955. So on some of these there is a difficulty. There are the union minutes which show that the union was authorized to purchase an automobile for Mr. Block in 1951. The insurance records show that the car that was wrecked in 1954 was, in fact, purchased in 1951.

Mr. Block, where did you get this 1951 Chrysler?

Mr. BLOCK. Somewhere in Westchester County. Wait a minute. 1951; did you say?

Mr. KENNEDY. Yes.

Mr. BLOCK. I don't remember having a 1951 Chrysler.

Mr. KENNEDY. Do you know what happened to the 1951 Chrysler that was being driven by your son?

Mr. BLOCK. Again I am saying I don't remember having a 1951 Chrysler.

Mr. KENNEDY. You never had a 1951 Chrysler?

Mr. BLOCK. I don't remember having a 1951 Chrysler.

Mr. KENNEDY. Did you ever turn over a 1951 Chrysler to the Deercrest Country Club?

Mr. BLOCK. I sold it.

Mr. KENNEDY. A 1951 Chrysler?

Mr. BLOCK. It wasn't a 1951 Chrysler.

Mr. KENNEDY. What kind of an automobile was it?

Mr. BLOCK. I think it was a 1949.

Mr. KENNEDY. What kind?

Mr. BLOCK. Chrysler.

Mr. KENNEDY. The records show it was a 1951 Chrysler.

Mr. BLOCK. Well, I don't know what the records show.

Mr. KENNEDY. The records show this is the same automobile that was wrecked.

Mr. BLOCK. But I don't remember having a 1951 Chrysler.

Mr. KENNEDY. You had a 1951 Chrysler that you turned over to your country club?

Mr. BLOCK. It is not my country club.

Mr. KENNEDY. How much did you sell it for?

Mr. BLOCK. Whatever the records will show. I don't remember.

Mr. KENNEDY. You don't remember anything about this, Mr. Block. All morning long you haven't remembered anything about any of your transactions and now you are starting the afternoon and you can't remember anything.

You must have known. Where did you get the car that you turned over to the Deercreek Country Club? Where did you get your automobile?

Mr. BLOCK. That I sold it to? Somewhere in Westchester County.

Mr. KENNEDY. You what?

Mr. BLOCK. In Westchester County I bought it.

Mr. KENNEDY. From whom did you purchase it?

Mr. BLOCK. I don't remember. I will have to check on the company, if they are still around.

Mr. KENNEDY. The records show that you turned over a 1951 Chrysler. It was the same Chrysler that was wrecked by your son, and the records that we have available from the union show that it was a union automobile. The records also show that you received \$1,000 credit from that, personally, on that automobile that was turned over to the country club.

(The witness conferred with his counsel.)

Mr. KENNEDY. \$1,000 on March 18, 1955.

Mr. BLOCK. What is the evidence showing?

Mr. KENNEDY. This is what the evidence shows, \$1,000.

Mr. BLOCK. I didn't say that. I mean the evidence that who owned the car.

The CHAIRMAN. You sold it and got the money. Who do you say owned it?

Mr. BLOCK. I presume it was mine.

The CHAIRMAN. Well, I would presume so, too.

Let's see if we can help you remember. Here is a photostatic copy of a check dated August 18, 1954, in the amount of \$283.50. Please examine it and state if you identify and whose signature is on it as an endorsement.

(The document was handed to the witness.)

(The witness conferred with his counsel.)

Mr. BLOCK. That is a check endorsed by me, an insurance check.

The CHAIRMAN. That is for this wreck that your boy had; is it not?

Look at this photostatic copy of the adjuster's final report and see if you can get any connection between them.

(The document was handed to the witness.)

(The witness conferred with his counsel.)

The CHAIRMAN. That check may be made exhibit No. 23.

(The document referred to was marked "Exhibit No. 23" for reference and will be found in the appendix on p. 11771.)

Mr. BLOCK. This indicates that I paid for the insurance, and was the insurer of my car then.

The CHAIRMAN. It indicates that you got the settlement for the collusion damage does it not?

Mr. KENNEDY. Collision, Mr. Chairman, not collusion.

The CHAIRMAN. Collision, then.

Mr. BLOCK. I don't believe so, Senator.

The CHAIRMAN. No collusion, then, for the collision. You got the damage. They paid you for the damage to the car, obviously?

Mr. BLOCK. Yes, sir.

The CHAIRMAN. That adjustor's report may be made exhibit No. 24. (The document referred to was marked "Exhibit No. 24" for reference and may be found in the files of the select committee).

The CHAIRMAN. Now I hand you a photostatic copy of a ledger sheet of the Deercrest Country Club, and I call your attention to an item indicated by a red mark, a red check, and it says "Equipment, auto, \$1,000," and that is in the credit column. I wish you would examine that now and state if you recall having received credit for \$1,000 for the car you turned over to the club.

(The document was handed to the witness.)

(The witness conferred with his counsel.)

Mr. BLOCK. Yes; I recognize it.

The CHAIRMAN. Is that the same car that was in the wreck?

Mr. BLOCK. I think so.

The CHAIRMAN. That ledger sheet may be made exhibit No. 25.

(The document referred to was marked "Exhibit No. 25" for reference and may be found in the files of the select committee.)

Mr. KENNEDY. Then you agree that the automobile that was turned over to the country club was a 1951 Chrysler; is that right?

Mr. BLOCK. I still wouldn't agree that it was a 1951 Chrysler. I am under the impression that it was a 1949.

Mr. KENNEDY. That is the automobile that was wrecked, which you just answered in a question of the chairman, and the insurance records show that that was a 1951 Chrysler.

Mr. BLOCK. As I said before, I am under the impression it was a 1949. I am not positive of the year.

Mr. KENNEDY. It is the same automobile. You did not have a 1949 Chrysler and a 1951 Chrysler; did you?

Mr. BLOCK. No, sir.

Mr. KENNEDY. You only had one automobile?

Mr. BLOCK. Yes, sir.

Mr. KENNEDY. And one Chrysler, is that right, during this period of time?

Mr. BLOCK. Yes, sir.

Mr. KENNEDY. The records show it was a 1951 Chrysler.

Mr. BLOCK. If you want it that way, all right.

Mr. KENNEDY. All right. Now, that Chrysler was purchased for you by the union; was it not?

Mr. BLOCK. I don't think so.

Mr. KENNEDY. Mr. Martin?

The CHAIRMAN. Has Mr. Martin been sworn?

Mr. KENNEDY. Yes.

TESTIMONY OF GEORGE H. MARTIN—Resumed

Mr. KENNEDY. Mr. Martin, have you checked to determine the surroundings in connection with the 1951 Chrysler?

Mr. MARTIN. I have.

Mr. KENNEDY. Will you tell the committee what you found, based on your investigation?

Mr. MARTIN. The Chrysler agency in New Rochelle, N. Y., sold the car during the day of May 22, 1951, engine No. C-51-811053, which is the same engine number of the Chrysler now under discussion, and it was purchased by Max Block during the day of May 22, 1951. The minutes of local 342 reflect that an executive board meeting was held on Tuesday evening, May 22, 1951, and that Brother William Casale, chairman of the executive board, recommended that the local union purchase a new car for Brother Max Block.

The CHAIRMAN. What action was taken on it? Does it show?

Mr. MARTIN. It was made in the form of a motion and seconded, and taken to a vote and carried unanimously.

The CHAIRMAN. You were reading from a photostatic copy of the minutes of local 342?

Mr. MARTIN. That is correct, Senator.

The CHAIRMAN. Let that minute be made exhibit No. 26, for reference.

(The document referred to was marked "Exhibit No. 26" for reference and may be found in the files of the select committee.)

The CHAIRMAN. Incidentally, Mr. Martin, did you find any records where the union paid for it?

Mr. MARTIN. No; all records prior to 1955 have been destroyed, sir.

The CHAIRMAN. The records of the union prior to 1955 have all been destroyed?

Mr. MARTIN. That is right. And the records of the agency do not reflect whether this car was purchased by cash or check.

Mr. KENNEDY. All right.

TESTIMONY OF MAX BLOCK—Resumed

Mr. KENNEDY. Is there any comment you want to make on that, Mr. Block?

Mr. BLOCK. I beg your pardon?

Mr. KENNEDY. Is there any comment you want to make now? Do you want to change your testimony?

Mr. BLOCK. Well, I am sticking to my original testimony. I just don't remember the union buying a car for me at that time. I am under the impression it was my car. It is quite a while ago, don't forget. But I didn't make it a habit—

Mr. KENNEDY. Well, you make a mistake on it and you gain \$1,000 on it. That is what happened.

Mr. BLOCK. No, I don't believe I made a mistake.

Mr. KENNEDY. Well, you explained about taking the money on the other car and depositing it in your own bank account. You just do so many of these things and it begins to form a pattern, Mr. Block.

Mr. BLOCK. But we also have the proof that I replaced the car with my own check. What difference does it make how I do it? If I cash the check and paid with cash, it doesn't matter.

Mr. KENNEDY. Mr. Block, if somebody steals from a bank and the bank examiner comes along and finds out about it and the man restores it, that is called restoration, but he is still possibly guilty of the crime. The mere fact that after we began our investigation you returned the automobile to the union does not change the facts.

Mr. BLOCK. I did not return anything like that that way.

Mr. KENNEDY. In January of 1958 is when you returned the other automobile.

Mr. BLOCK. The check will prove that it was a question of weeks. When I used the original check that was sent to me, it would not matter that it was made out in my mind, I would have to deposit it somewhere anyhow, or endorse it.

Mr. KENNEDY. You got money that belonged to your union and put it in your own bank account. They have criminal laws to cover that, Mr. Block.

Mr. BLOCK. If that would be the case, it is different. But it is not like that.

Mr. KENNEDY. You put it in your own bank account.

Mr. BLOCK. I replaced the car. The check was laying around there for months. I was trying to buy a different car, wasn't I?

Mr. KENNEDY. Then you bought a different automobile and it was in your own name.

Mr. BLOCK. That is the way the original was. All the cars were——

Mr. KENNEDY. You never informed the union until January of 1958, when you finally turned the car back to the union.

Mr. BLOCK. Up until then all the automobiles was in the names of the officials of the union who used it.

Mr. KENNEDY. Mr. Block, there was no record whatsoever of the fact that the union owned the automobile during that 2-year period. The only time you turned it back was in January of 1958 after we began our investigation.

During the 2-year period on the books and records of the union it appeared that that particular car was still in existence. That is No. 1. The second automobile purchased for you in 1951, you turned in, in 1955 or 1956, to your country club and got \$1,000 credit on it.

You are not allowed to do that, Mr. Block.

Mr. BLOCK. I am sure the way I did it was legal and right, morally right too, because I am not a new official in the union. I have been around a long time, and I never looked to cheat the organization out of a nickel. However, you stated according to the accountant's report—I questioned him on that a long time ago—this is an asset of the union. You stated that to me all the time. I don't keep books and I don't watch the books. I depend on the accountants for that.

It was an asset of the union.

The CHAIRMAN. Who used this second car you bought, or the car you bought to replace the one that was wrecked that you got the money on?

Mr. BLOCK. Archie McVicker.

The CHAIRMAN. I beg your pardon?

Mr. BLOCK. Archie McVicker.

The CHAIRMAN. How did it happen that your son was paying for it?

Mr. BLOCK. I paid for the car. My son, I made him meet some of the payments. I didn't want him to think he could just go and wreck a car and just walk off. So, now, whatever he earns, practically, he is using up for the payments. But, eventually, I will give him his money back when he gets a little older.

Mr. KENNEDY. Why wasn't he describing it when he sent the checks in, as the union car? Why was he describing it as "My car?"

Mr. BLOCK. I can't answer for the kid what he put on. You showed three checks. There were more than three checks. Maybe at that time he was a little mad at me and he wanted to have proof of some kind that I owed him money. You know how kids are.

Mr. KENNEDY. That is your explanation?

What about this check?

Before we get to that, what about the other automobile deal with Mr. Suffa, between your son-in-law and Mr. Suffa, where your son-in-law transferred a 1953 DeSoto for Mr. Suffa's 1953 Buick and it cost the union some \$945? Did you give Mr. Suffa the instructions to transfer that automobile?

Mr. BLOCK. I didn't even know about it.

Mr. KENNEDY. Are you going to take any steps to get the \$945 back from your son-in-law?

Mr. BLOCK. Yes, sir.

Mr. KENNEDY. You are?

Mr. BLOCK. If that is what the amount is.

Mr. KENNEDY. \$945.

Mr. BLOCK. Whatever the amount will be, that is the amount he will have to make good, either him or Suffa.

Mr. KENNEDY. You are going to take the steps——

Mr. BLOCK. Or Suffa.

Mr. KENNEDY. You are going to take steps to make sure that the union gets reimbursed \$945?

Mr. BLOCK. That is what it is.

Mr. KENNEDY. Are you going to take steps to see that the union gets reimbursed \$1,000 on the credit you got at the country club?

Mr. BLOCK. No, sir. I don't believe it belongs to anyone but me.

Mr. KENNEDY. We have shown you the records.

Mr. BLOCK. The records don't show anything.

Mr. KENNEDY. You are not going to take steps to get the \$1,000? It is just against your son-in-law but not yourself?

Mr. BLOCK. I would rather pay myself than my son-in-law. If he is wrong, he will make good.

Mr. KENNEDY. We have that established, that you are going to go after him. But now we want to know whether you are going to pay up yourself on the \$1,000.

Mr. BLOCK. I don't believe I owe any \$1,000 to anyone on that score.

Mr. KENNEDY. Did you say that Mr. McVicker has been driving that automobile since you purchased it?

Mr. BLOCK. He is driving it.

Mr. KENNEDY. When did he come with the union?

Mr. BLOCK. I got to think back. I don't know the exact date. Quite a while. I could not give you the exact date.

Mr. KENNEDY. Within the last year?

Mr. BLOCK. Yes, sir.

Mr. KENNEDY. Actually he came in December of 1957, did he not?

Mr. BLOCK. So it is within the last year.

Mr. KENNEDY. Then how could he have been using the automobile when you purchased the automobile in 1956, if he did not come with the union until December of 1957?

Mr. BLOCK. Before he drove it, other people drove it.

Mr. KENNEDY. Your son?

Mr. BLOCK. Me. I used it. I didn't even drive it.

Mr. KENNEDY. You already had two other automobiles that were paid for by the union. How could you drive all three of them?

Mr. BLOCK. I can give you all the names of the people that have used this car.

Mr. KENNEDY. You gave us, when the chairman asked us who was driving it, you gave us the name of McVicker.

Mr. BLOCK. He is driving it steadily.

Mr. KENNEDY. He is the one that was using the car. Now we find that McVicker did not come to the union until a year and a half after the car was purchased.

Mr. BLOCK. Mr. Kennedy——

Mr. KENNEDY. Yes, Mr. Block.

Mr. BLOCK. When I was asked who was driving the car, I told you who was driving the car. That was Mr. McVicker. If you want to know who drove it before him, I will tell you.

Mr. KENNEDY. Who was that?

Mr. BLOCK. Art Hassler, Louis Burke, and whoever else got stuck with their cars used it.

Mr. KENNEDY. Did your son drive the automobile?

Mr. BLOCK. If he ever drove this car or any other car, any one of my cars, he drove me. He didn't drive it for himself.

Mr. KENNEDY. Mr. Block, you can see that is not completely true, because he had two accidents with the union automobiles.

He had one in 1954 and another one in 1955, when he was using the car, and it had nothing to do with the union.

Mr. BLOCK. I will explain what happened then.

Mr. KENNEDY. I thought you said you didn't know anything about his accident in 1954.

Mr. BLOCK. Let us get one at a time. I recognize the check as far as the 1955—1954, whatever date it was. When he wrecked the car, the 1955 Buick, he went to school out around the Boston area.

The last train out there, wherever he was going, was 4 o'clock. He missed the train.

Mr. KENNEDY. Mr. Block, the only question was you said he never drove the automobile except when you were with him. I just pointed out the two times when we know he drove the automobiles, he had accidents in them. They were union automobiles and you weren't there.

Mr. BLOCK. Mr. Kennedy, in all fairness——

Mr. KENNEDY. Yes; in all fairness.

Mr. BLOCK. You know the answer, because you interviewed me before. So I think you should give me an opportunity to explain how it happened.

Mr. KENNEDY. I didn't interview you before, Mr. Block.

Mr. BLOCK. Your people did, and they are pretty good people and know how to interview. They have records of it. That was on a Sunday. He missed the train at 4 o'clock. I was under the impression that he missed it on purpose because he didn't care to go to school, I imagine. So I said to him, "Use this car. I will be out in a day or two and I will get it back."

He went out there. Then I got a phone call a day or so later that he was in an accident and wrecked the car.

Mr. KENNEDY. O. K.

Mr. BLOCK. That is the way it was.

Mr. KENNEDY. All right. He lost his license in 1957, did he? I am speaking of your son.

Mr. BLOCK. 1957?

Could be. He didn't have any license, I know, for over a year. So he surely couldn't have driven the car you were talking about, the second one.

Mr. KENNEDY. He lost his license in mid-1957.

Mr. BLOCK. Would you please tell me the date?

Mr. KENNEDY. Mid-1957.

Mr. BLOCK. You must have a date.

Mr. KENNEDY. Well, I don't have a date.

Mr. BLOCK. I know you have the records pretty good.

Mr. KENNEDY. Well, I don't have that. I don't happen to have that. I want to show you another check, and we will move along.

The CHAIRMAN. I hand you a check dated January 15, 1953, in the amount of \$500, made payable to Mr. and Mrs. Martin Zeitler, drawn on Amalgamated Meat Cutters Union of Greater New York. I ask you to examine this check and state what you know about it.

(The document was handed to the witness.)

(The witness conferred with his counsel.)

The CHAIRMAN. Do you recognize the check?

Mr. BLOCK. The only way this could have been——

(The witness conferred with his counsel.)

Mr. BLOCK. I have not seen it before; the only thing, I recognize the writing. I mean it is Amalgamated Meat Cutters of Greater New York. Then you got a name on the back, and made out to Mr. and Mrs. Zeitlor, in 1953.

The CHAIRMAN. Do you recognize the check?

Mr. BLOCK. I couldn't say I recognized the check, because I don't know the handwriting. It isn't mine, of course. However, the only way I can place it, and I am pretty certain it could not be any other way, is when my daughter got married in December of 1952, there was a chance then that the union had given them a present, a wedding present. That is the only way. It could not be any other way, because we don't make a habit of just having checks like this made out to outside people.

The CHAIRMAN. You think it was a wedding present for your daughter?

Mr. BLOCK. I think so. I will check it and give you the exact——

The CHAIRMAN. That check may be made exhibit 27.

(The document referred to was marked "Exhibit No. 27" for reference and will be found in the appendix on p. 11772.)

Mr. KENNEDY. Mr. Block, nothing appears in the minutes regarding that check, regarding your son-in-law receiving \$500, your daughter and your son-in-law. Nothing appears in the minutes on it.

Mr. BLOCK. Well, I can't answer you that one, because I don't have the minutes. But there couldn't be any other way. As you know, our records, we don't do things like that unless it's done properly.

Mr. KENNEDY. I couldn't agree with you on that, based on our investigation.

That is your statement. I couldn't agree that you don't do things that way.

The CHAIRMAN. Which one of our staff has examined all of the minutes?

Mr. KENNEDY. Mr. Martin.

TESTIMONY OF GEORGE H. MARTIN—Resumed

The CHAIRMAN. Have you examined the minutes of local 342?

Mr. MARTIN. I have.

The CHAIRMAN. How far back?

Mr. MARTIN. Back as far as 1940, at least.

The CHAIRMAN. Do you find anything in the minutes authorizing the payment of this check of \$500?

Mr. MARTIN. I did not.

The CHAIRMAN. Do you think you had all of the minutes?

Mr. MARTIN. I can't guarantee that, Senator. I had all I could find.

The CHAIRMAN. Did you have the minutes pertaining to December of 1952 and January of 1953?

Mr. MARTIN. We did have; yes, sir.

The CHAIRMAN. You find no record whatsoever of any authorization of the check?

Mr. MARTIN. No record of this transaction at all.

The CHAIRMAN. Thank you very much.

TESTIMONY OF MAX BLOCK—Resumed

Senator CURTIS. I would like to ask a question or two which I believe to be quite pertinent to these car transactions and these checks.

Mr. Block, how long have you been president of 342?

Mr. BLOCK. I have been with 342 since—well, let's see. I think the charter of 342 was reissued in 1939 or 1940.

Senator CURTIS. You have been president ever since?

Mr. BLOCK. A year hence, I became president. It could have been 1940 or 1941.

Senator CURTIS. How long have you been president of 640?

Mr. BLOCK. Four years. Excuse me. Since 1954; yes. No; I am sorry. It may be about 2½ years.

Senator CURTIS. In reference to local 342, how many times have the books and records, the books and financial transactions, been audited by an independent auditing firm?

Mr. BLOCK. Well, our international auditors are in frequently. We have a regular auditing that takes care of it every month, independent. It is an independent company.

Senator CURTIS. The international has auditors, do you say?

Mr. BLOCK. Yes, sir.

Senator CURTIS. And you are one of the vice presidents?

Mr. BLOCK. Yes, sir.

Senator CURTIS. How often do they audit?

Mr. BLOCK. I guess about anywhere from 2 to 4 times a year.

Senator CURTIS. Do you know what their audit consists of?

Mr. BLOCK. I couldn't give you the exact explanation of that, because I am not much familiar with the bookwork.

Senator CURTIS. You do not know whether they examine every transaction to see whether they are authorized by the law, both Federal and State, as well as in accord with the constitution and bylaws of your union?

Mr. BLOCK. They usually follow the constitution of the union.

Senator CURTIS. Who are the outside auditors that you say audit once a month?

Mr. BLOCK. Alexander Shullman.

Senator CURTIS. Alexander what?

Mr. BLOCK. Shullman.

Senator CURTIS. Shullman?

Mr. BLOCK. Yes, sir.

Senator CURTIS. What is their address?

Mr. BLOCK. Their office is at 5th Avenue and 45th Street, I think.

Senator CURTIS. What sort of an audit do they conduct?

Mr. BLOCK. General. Everything.

Senator CURTIS. Do they examine every transaction as to its legality and as to whether or not it is in accord with the constitution and bylaws of the union?

Mr. BLOCK. I know they make a thorough check. I don't know exactly how far they go.

Senator CURTIS. Did they ever raise any questions about these car transactions; any of these auditors?

Mr. BLOCK. No, sir.

(At this point, members of the committee present are Senators McClellan and Curtis.)

Senator CURTIS. Did they ever raise any question about this \$500 check which you say was a wedding present or may have been a wedding present?

Mr. BLOCK. It wasn't raised.

Senator CURTIS. That is what auditors are for, aren't they. What do you do with those audit reports after they come in?

Mr. BLOCK. Well, it is read to the executive board, and, also, read to the membership.

Senator CURTIS. It is read to the membership?

Mr. BLOCK. Yes, sir.

Senator CURTIS. Every month?

Mr. BLOCK. As often as we meet.

Senator CURTIS. Is it read in detail?

Mr. BLOCK. In detail, the way we get it.

Senator CURTIS. Well, there is something wrong here somewhere. No auditing outfit would pass these items without calling attention to them, and there are all sorts of audits. There is an audit that might be nothing more than adding-machine slips to see whether columns add up, and there is also an internal audit which examines every transaction, and ascertains whether or not it is a proper expenditure in every respect.

Now, you insist that a thorough audit is made by your union every month and the information given to the members. Is that your position?

Mr. BLOCK. The way I see it, it has been done pretty thorough.

Senator CURTIS. Well, I think one thing has been revealed here throughout these investigations—a long parade of labor leaders have operated unions as though it was a business that they owned. It is not that they were the servants of the men who work. I would like to inquire of the staff what they know about the practice of auditing of 342 and 640 in particular, and what sort of audits were conducted and to what extent and what was done?

Mr. KENNEDY. I think Mr. Kopecky could answer that question the best, Senator.

Senator CURTIS. If it is all right with the chairman, I would like to hear that.

The CHAIRMAN. Surely.

TESTIMONY OF GEORGE KOPECKY—Resumed

Mr. KOPECKY. Senator, the C. P. A. in this case accepts the books and records of the union as is, without an independent verification of the transaction, and he so qualifies his financial statements to relieve himself of any responsibility in that regard.

Senator CURTIS. Did you read his certification to his audits?

Mr. KOPECKY. Yes, and he indicates he accepts the books and figures as is, without independent verification.

Senator CURTIS. Can you elaborate on that, as to what you gather is meant by that, from your examination?

Mr. KOPECKY. There are various ways to conduct an audit. In this particular case, it is an extremely limited audit, because the transactions as entered on the books are accepted as recorded, without any further investigation or scrutiny.

Senator CURTIS. You mean accepted as proper expenditures?

Mr. KOPECKY. Accepted as given; that is right.

Senator CURTIS. Is there any evidence that expenditures are examined to see whether or not they are in accord with the constitution and bylaws of the union, as well as to their legality?

Mr. KOPECKY. There is no indication of that item. The figures are merely added up and totaled by the C. P. A.

Senator CURTIS. Is there any indication that there is any examination made as to any transactions that might not show in the books, involving transactions that are revealed in the books?

Mr. KOPECKY. There is no indication that such an investigation or inquiry is conducted. The C. P. A. has indicated to me that he accepts the books and records as they are, and that, as a matter of expediency and economy, he does not conduct a detailed audit.

Senator CURTIS. I don't think that there is much economy in it.

Mr. KOPECKY. That is economy in line with the retainer that he is paid. That is what the C. P. A. meant by "economy."

Senator CURTIS. I believe that a good, searching, and thorough periodic audit, instead of costing the union members anything, would save them money.

Well, Mr. Chairman, I will not pursue this further at this time. I do think, in the months that lie ahead, it might be a good idea to at

random call before this committee several of the C. P. A.'s and other auditors who make it a practice of auditing union books, and to see what standards they are following, and what systems they use, and to what extent they really make an inquiry into what is happening with the workers' money. After all, these officials aren't handling their money; it is somebody else.

The CHAIRMAN. I would think that they make such an audit as the union is willing to pay for and instruct them to do. As I interpret the certification of the auditor in this instance, it simply means that he takes the books and adds up the figures, and finds out if the bank account and other assets balance. It doesn't indicate that there is any effort made to determine whether there is accuracy or inaccuracy in the item as listed or whether it is authorized or not authorized.

Senator CURTIS. I might further explain, it is not my idea that, necessarily, we would impeach the auditors. That might happen, but I certainly don't think it would happen, generally, but, for legislative purposes, we ought to know what the practices are, and it might be appropriate sometime to require certain types of audits. I would like to ask Mr. Kopecky one more thing. Did you examine the audits made by the international that Mr. Block referred to?

Mr. KOPECKY. By the international auditors, you mean?

Senator CURTIS. Yes.

Mr. KOPECKY. Yes; I have.

Senator CURTIS. What was the nature of those audits?

Mr. KOPECKY. Similar to that prepared by the C. P. A. They accept the books and records as prepared by the local unions, and make an extremely limited investigation.

Senator CURTIS. Well, I think the whole procedure is a fraud upon the members of the union.

Mr. KENNEDY. Someone could take thousands of dollars out of the union and it would never be detected by this method of auditing.

Mr. KOPECKY. That is right. As far as the international union is concerned, they attempt to train and educate rank-and-file members, and union members who show an interest in records and bookkeeping and accounting, and attempt to explain to them what should be done. But these are not trained accountants.

The CHAIRMAN. All right; proceed.

TESTIMONY OF MAX BLOCK—Resumed

Mr. KENNEDY. Would you explain this transaction to me? We have marked it with an "X" here. It is another financial transaction that was of some interest to us.

The CHAIRMAN. I hand you here photostatic copy of a ledger sheet, under "disbursements," and it is a ledger sheet of November 1954. That is local 342, and November of 1954. At the place marked "X," on line 27, the number of the item is 63, and that would be the 27th of November.

Mr. KENNEDY. No; it wouldn't be.

The CHAIRMAN. Well, it doesn't show the date, but it bears two numbers. On line 27, and then the item is item No. 63, and it shows "Cash" in the amount of \$2,027.38. I will ask you to examine this, and state if you recognize it as a copy of your ledger sheet, and then look at the item I have indicated and identified there, and state for what purpose that cash was spent.

(The document was handed to the witness.)

(The witness consulted with his counsel.)

Mr. KENNEDY. Underneath, it shows the second sheet for that month.

Mr. BLOCK. I just don't understand it.

The CHAIRMAN. You don't understand it?

Mr. BLOCK. No, sir.

The CHAIRMAN. All right.

Mr. KENNEDY. What part don't you understand?

The CHAIRMAN. That sheet may be made exhibit No. 28.

(Document referred to was marked "Exhibit No. 28," for reference and may be found in the files of the select committee.)

Mr. KENNEDY. What part don't you understand?

Mr. BLOCK. I don't understand the whole sheet, because as I said before, I am not a bookkeeper, and I don't bother with that stuff. I am trying to find out about it and I don't know what it could be.

Mr. KENNEDY. Look down at item 27, and what does it say down there?

Mr. BLOCK. It says 63, I think.

Mr. KENNEDY. What we are trying to find out is what happened to the money?

Mr. BLOCK. Well, I don't know.

Mr. KENNEDY. You are president of the union?

Mr. BLOCK. I am president of the union, to work and to make sure that other people do the work, and I don't keep books, that is why I have accountants and everything is kept that way, and there are a lot of expenditures. I don't know exactly.

Mr. KENNEDY. Who would know about that item, then?

Mr. BLOCK. I don't know who would know about that.

Mr. KENNEDY. You are president of the union, and we are trying to find out what happened to the \$2,000. Now, who would know if you don't know what happened to the \$2,000?

Mr. BLOCK. If that happened yesterday, I guess I would know it.

Mr. KENNEDY. We have asked you. The staff investigators informed me that they have spoken to you about this item a number of times.

Mr. BLOCK. I checked on it, and we couldn't find out what it was. You must realize during those years we spent so much money on organizational campaigns, and our organization doubled, and so I just can't recollect what it is.

Mr. KENNEDY. You said before that your union appears completely clean, and that there weren't any peculiar transactions, and now this is a peculiar transaction which you cannot explain. We are trying to get an explanation from you for a number of months of this transaction. I think we are entitled to find out where the \$2,000 went.

Mr. BLOCK. The \$2,000 in an organizational drive in our organization, is very small.

Mr. KENNEDY. Where did the \$2,000 go?

Mr. BLOCK. I don't know how it was spent, but it is just one of those items.

Mr. KENNEDY. Well, let us see. I will ask Mr. Kopecky whether he has made an examination, and what we have found out about this item.

Mr. KOPECKY. The checks for this period of time have been destroyed. However, the cash disbursement records still happen to be available.

Mr. KENNEDY. Mr. Casale is here, and he was the secretary-treasurer at the time, and could we call him around, Mr. Chairman, and find out if he can tell us?

The CHAIRMAN. Mr. Casale, will you come around?

TESTIMONY OF WILLIAM CASALE—Resumed

The CHAIRMAN. You have been previously sworn, and you will remain under the same oath.

I will show the witness exhibit No. 28, and look at line 27, item 63, on that ledger sheet, and tell us what that represents.

(Document was shown to the witness.)

Mr. CASALE. This was at what time?

Mr. KENNEDY. 1954.

Mr. CASALE. Well, about the only thing that comes to my mind at that particular time on this item is that we made contributions to 2 political organizations, 1 the Republican, and 1 Democratic at that time.

The CHAIRMAN. Out of union funds?

Mr. CASALE. Yes, sir.

The CHAIRMAN. That ought to be a violation of law, if it isn't. Senator CURTIS. What were the names of the organizations?

Mr. CASALE. Well, it says here, New York State Republican Committee, and one the New York State Democratic Committee.

Senator CURTIS. How much?

Mr. CASALE. \$1,000 each.

Senator CURTIS. What was the date of that?

Mr. CASALE. In 1954; in November of 1954.

Senator CURTIS. Were you then secretary-treasurer?

Mr. CASALE. I was.

Senator CURTIS. Do you know about the transaction?

Mr. CASALE. I wrote out the checks.

Senator CURTIS. Was there ever any action taken by the union authorizing those expenditures?

Mr. CASALE. I don't recollect that, sir.

Senator CURTIS. To whom were the checks delivered?

Mr. CASALE. I don't recollect whether they were delivered or whether they were mailed.

Senator CURTIS. Who instructed you to make out the checks?

Mr. CASALE. I don't know, and I believe you have the executive board minutes, and it might appear in there. I don't know for sure.

Mr. KENNEDY. Nothing appears about this transaction in the executive board minutes.

Senator CURTIS. Do you take full responsibility for making out the checks on your own?

Mr. CASALE. No, sir.

Senator CURTIS. Who told you to do that?

Mr. CASALE. Well, usually it is discussed in the executive board, among the executive board members.

Senator CURTIS. That is a sizable transaction, and this isn't a check for \$7 for miscellaneous expenses, and this is \$1,000, each 1 of them, and you should be able to remember who told you to make out those checks.

Mr. CASALE. They are earmarked for these specific things, as the New York State Republican Committee.

Senator CURTIS. I understand who the payees were, but who told you to write them out?

Mr. CASALE. I don't remember specifically.

Senator CURTIS. You don't recall specifically?

Mr. CASALE. No.

Senator CURTIS. What do you recall about your instructions that wasn't so specific?

Mr. CASALE. Pardon me?

Senator CURTIS. What do you recall about your instructions?

Mr. CASALE. Well, it is so far back I don't remember, to tell you the truth. It is 4 years ago.

Mr. KENNEDY. Now, these sums were paid in cash; were they not?

Mr. CASALE. Not to my knowledge.

Mr. KENNEDY. Doesn't it appear there that it was cash?

Mr. CASALE. It was made out on a cash check.

Mr. KENNEDY. And then the check was split, and doesn't it appear that it was \$1,000 in cash delivered to each one of these organizations, supposedly?

Mr. CASALE. Supposedly.

Mr. KENNEDY. What did you do with the cash?

Mr. CASALE. I don't recollect. To the best of my knowledge I don't know.

Mr. KENNEDY. You don't recollect to the best of your knowledge?

Mr. CASALE. No.

Mr. KENNEDY. What did you do with the cash, Mr. Casale?

Mr. CASALE. I don't recollect.

Mr. KENNEDY. Now, did you turn it over to either the Democratic or Republican State committees?

Mr. CASALE. I personally, you mean?

Mr. KENNEDY. Yes.

Mr. CASALE. Not that I remember.

Mr. KENNEDY. Well, did you or did you not, Mr. Casale, and you know what you did with the money. Did you give the money to Mr. Block?

Mr. KAMINSKY. I was outside when Mr. Casale was recalled.

The CHAIRMAN. He has an item there where he drew a little over \$2,000 cash out of union funds, and he said it went for a contribution, \$1,000 to the Republican Committee of New York, and \$1,000 to the Democrat Committee of New York. We are trying to find out a little more about it.

Mr. KAMINSKY. May I have a few minutes to confer with my client privately?

The CHAIRMAN. You may.

Mr. KAMINSKY. Thank you.

The CHAIRMAN. In the meantime, we will proceed with the other witness.

TESTIMONY OF MAX BLOCK—Resumed

Mr. KENNEDY. Mr. Block, does Mr. Casale's testimony refresh your recollection at all?

Mr. BLOCK. It doesn't.

Mr. KENNEDY. Was the money turned over to you?

Mr. BLOCK. I don't recollect anything like that.

Mr. KENNEDY. Did you give instructions that the checks should be made out?

Mr. BLOCK. I don't remember.

Mr. KENNEDY. Did you receive any of the money out of this \$2,000; did you receive any of the money?

Mr. BLOCK. If I received it I don't recollect.

Mr. KENNEDY. You don't recollect that either?

Mr. BLOCK. No.

Mr. KENNEDY. You have a very bad memory.

TESTIMONY OF WILLIAM CASALE—Resumed

Mr. CASALE. Well, to the best of my recollection, I gave it to Mr. Block.

Mr. KENNEDY. You gave the money to Mr. Block?

Mr. CASALE. That is correct.

Mr. KENNEDY. What did you do with the money, Mr. Block?

Mr. BLOCK. I don't remember.

The CHAIRMAN. Did you keep it?

Mr. BLOCK. I don't remember getting it, that is what I mean.

The CHAIRMAN. If you got it, did you keep it?

Mr. BLOCK. If I would have gotten it, I wouldn't have kept it for myself.

The CHAIRMAN. What would you have done with it?

Mr. BLOCK. Whatever purpose I guess I would have, I would be given the money for, I would deliver it.

The CHAIRMAN. The books show it was for the purpose of giving \$1,000 to the Democratic committee, and \$1,000 to the Republican committee of New York.

What did you do with the money?

Mr. BLOCK. I don't recollect receiving it.

The CHAIRMAN. Do you recollect what you did with it?

Mr. BLOCK. I don't recollect receiving it.

(At this point, the following members were present: Senators McClellan and Curtis.)

The CHAIRMAN. Did you receive it?

Mr. BLOCK. I just don't remember receiving it.

The CHAIRMAN. Don't you think this is a pretty come-off? Here is your secretary-treasurer saying that he gave the money to you, and you don't know what you did with it. Do you handle money that way all the time? That is, in amounts like that, shuffle it around from one pocket to the other and lose it?

Give us some explanation about it.

Mr. BLOCK. I didn't get that question, Senator.

The CHAIRMAN. Give us some explanation about it.

Mr. BLOCK. I am not going to give an explanation when I am not sure about it, you see.

The CHAIRMAN. Why aren't you sure?

Mr. BLOCK. I don't remember it.

The CHAIRMAN. Do you think your memory would stand a test that would make you eligible or qualified to fill the position you have? It is getting very feeble. Do you mean you can't give any explanation of it?

Mr. BLOCK. No, sir.

Senator CURTIS. Mr. Chairman?

The CHAIRMAN. We are going to help you explain a little of it.

Senator CURTIS.

Senator CURTIS. I would like to ask the secretary-treasurer. Whose writing is it that has the notation that this went to the two political committees?

Mr. CASALE. Do you mean on the record?

Senator CURTIS. Yes.

Mr. CASALE. My writing.

Senator CURTIS. How did you happen to write that?

Mr. CASALE. How did I happen to write it?

Senator CURTIS. Yes.

Mr. CASALE. Because the check was issued.

Senator CURTIS. The check was issued to cash. You cashed the check, didn't you?

Mr. CASALE. Well——

Senator CURTIS. Yes?

Mr. CASALE. Yes.

Senator CURTIS. Why did you write on there it went to the political parties?

Mr. CASALE. Because it was for that purpose.

Senator CURTIS. Who told you it went there?

Mr. CASALE. I don't recall who told me to write it, but that is what the check was made out for, that purpose.

Senator CURTIS. Who told you that was the purpose of the check?

Mr. CASALE. I don't recollect that, sir.

Senator CURTIS. How do you know it was for that purpose?

Mr. CASALE. I was told, evidently.

Senator CURTIS. How do you know that either committee got it?

Mr. CASALE. I don't.

Senator CURTIS. What day in November was this?

Mr. CASALE. I don't recollect the date.

Senator CURTIS. Look it up.

Mr. KENNEDY. It doesn't show. It appears that it was the end of November.

Senator CURTIS. The end of November.

Mr. CASALE. It must have showed on the stub of the checkbook, because each check is marked on the stub of the check what it is for.

Mr. KENNEDY. All the books are destroyed.

Mr. CASALE. That one I don't believe was.

Senator CURTIS. Why would you be making a contribution at the end of November? As I recall, the election in 1954 was very early in November.

Mr. CASALE. I don't know, sir.

Senator CURTIS. Do you have any knowledge that either of these political committees got this money?

Mr. CASALE. To my best recollection, no.

Senator CURTIS. Mr. Block, what do you remember about the transaction?

Mr. BLOCK. I don't remember anything about it.

Senator CURTIS. Do you remember anything of the conversation about it?

Mr. BLOCK. No, sir; I don't.

Senator CURTIS. Do you remember any of the transaction in executive committee about it?

Mr. BLOCK. I don't remember it, sir.

Senator CURTIS. Do you remember receiving the money from your secretary-treasurer?

Mr. BLOCK. No, sir; I don't remember it.

Senator CURTIS. Did you get the money?

Mr. BLOCK. I don't remember getting any money.

Senator CURTIS. Do you have any recollection as to what you did with it?

Mr. BLOCK. I don't have any recollection on the transaction.

Senator CURTIS. Not exactly?

Mr. BLOCK. On the transaction.

Senator CURTIS. Who do you know in each of the committees that you might have given the money to?

Mr. BLOCK. I didn't get the question, Senator, sir.

Senator CURTIS. Who do you know in each of these political committees that you might have given the money to?

Mr. BLOCK. I know a lot of people in both parties.

Senator CURTIS. Who do you know that you might have given this money to?

Mr. BLOCK. I don't recollect giving it to anybody.

Senator CURTIS. You probably did not give it to anybody, did you?

Mr. BLOCK. I don't remember it, sir.

Senator CURTIS. Well, now, would you have taken dues money in violation of law and make a contribution to a political party?

Mr. BLOCK. What was the question, sir?

Senator CURTIS. I will ask the reporter to read the question.

(The pending question was read by the reporter, as requested.)

Mr. BLOCK. I guess we would have, if it would be O. K. with the membership or the executive board.

Senator CURTIS. Had you ever done it before?

Mr. BLOCK. This was not a question—I beg your pardon?

Senator CURTIS. Had you ever done it before?

Mr. BLOCK. I don't remember of any, if I did; I remember I made my own contributions.

Senator CURTIS. No; I mean of the workers' money. Have you ever taken some of their money and given to to a political party before?

Mr. BLOCK. I just don't recollect any of those donations.

Mr. KENNEDY. That is all, Mr. Chairman.

The CHAIRMAN. The Chair will read into the record two affidavits. They can be printed in the record.

(The documents referred to follow:)

DEMOCRATIC STATE COMMITTEE,
New York, N. Y.

STATE OF NEW YORK,
County of New York, ss:

Raymond C. Deering, being duly sworn states:

The records of the New York State Democratic Committee have been examined for 1954 and they show that no contribution has been received from any of the following: Louis Block, Max Block, William Casale, Local 342, Meat Cutters Union.

RAYMOND C. DEERING.

Sworn to before me this 11th day of December 1957.

WILLIAM F. DALY,
Notary Public, State of New York.

Commission expires March 30, 1958.

STATE OF NEW YORK,
County of New York, ss:

I, Walter Bligh, secretary of the Republican State Committee for New York State, being duly sworn, depose and say that I voluntarily furnish this affidavit to George M. Kopecky, known to me to be a staff investigator of the United States Senate Select Committee on Improper Activities in the Labor or Management Field. Further, the information contained in this affidavit may be used by the United States Senate Select Committee on Improper Activities in the Labor or Management Field as required during the conduct of its affairs.

The records of the New York Republican State Committee have been examined for 1954 and they show that no contribution has been received from the following: Louis Block, Max Block, William Casale, Local 342, Meat Cutters Union.

WALTER BLIGH.

Sworn to before me this 13th day of December 1957.

JOSEPH N. CASARIO,
Notary Public, State of New York.

Term expires March 30, 1959.

The CHAIRMAN. Do you want to comment on that any further? Mr. Casale, you took the money out of the treasury. These folks say they didn't get it.

Mr. CASALE. All I can say is that the money was earmarked for them. Whether they received it or not, I don't know.

The CHAIRMAN. Well, somebody owes the union, if they didn't get it, \$2,000. Who do you think it is?

Mr. CASALE. I have no thoughts on the subject.

The CHAIRMAN. You are not interested?

Mr. CASALE. I said I have no thoughts on the subject.

The CHAIRMAN. Have one now.

Mr. CASALE. I am interested, but I don't know.

The CHAIRMAN. Are you going to trace this down and get that money restored?

Mr. CASALE. To the best of my ability.

The CHAIRMAN. How are you going to start about it?

Mr. CASALE. Inquiring.

The CHAIRMAN. From whom?

Mr. CASALE. To both clubs.

The CHAIRMAN. Both clubs? Well, they say their records reflect nothing.

Mr. CASALE. Well, I don't know.

The CHAIRMAN. They swear to that.

Mr. CASALE. I will just have to get my—

The CHAIRMAN. What are you going to do about it, Mr. Block?

Mr. BLOCK. I beg your pardon?

The CHAIRMAN. What are you going to do about it?

Mr. BLOCK. At this time I couldn't say. When we go back to the city, we will check and find out what it is.

The CHAIRMAN. You show what it is on the ledger.

Mr. BLOCK. I am not so sure what it says there regardless of what it says.

The CHAIRMAN. Do you mean that may be a false entry on the ledger?

Mr. BLOCK. No, sir; I would not say that. I don't think any one of our people would make false entries.

The CHAIRMAN. You don't think so?

Mr. BLOCK. No, sir.

The CHAIRMAN. This money is supposed to have gone to those committees. The committee says they didn't get it.

Mr. BLOCK. We will do some checking.

The CHAIRMAN. When you check it out, will you write me a letter for the committee, addressed to me as chairman of the committee, and let me know what became of the money?

Mr. BLOCK. Yes, sir.

The CHAIRMAN. How long do you think it will take to check it out?

Mr. BLOCK. About a week to 10 days.

The CHAIRMAN. I will give you 10 days. Let me hear from you in 10 days.

Proceed.

Mr. KENNEDY. Will you also cooperate with the district attorney if he begins to look for the money?

Mr. BLOCK. I didn't get the question.

Mr. KENNEDY. Will you cooperate with the district attorney in New York if he also tries to find the money?

Mr. BLOCK. Why shouldn't I? I surely will.

Senator CURTIS. Mr. Chairman?

Mr. KENNEDY. I might——

Senator CURTIS. Excuse me. Go ahead.

Mr. KENNEDY. I might point out, Mr. Chairman, that no mention was made of this in the minutes. You might want to put Mr. Martin on, on that.

TESTIMONY OF GEORGE H. MARTIN—Resumed

The CHAIRMAN. Have you examined the minutes of local 342 for the year 1954?

Mr. MARTIN. I have.

The CHAIRMAN. After finding this entry in the ledger sheets did you search the minutes specifically to ascertain whether there had been any authorization by the executive board or by the union in meeting to authorize the contribution of \$1,000 to each of the parties, each of the political parties in New York?

Mr. MARTIN. There is nothing in the minutes of the executive board or of the general membership of local 342 which reflects any authorization or any approval of this expenditure.

The CHAIRMAN. Thank you very much.

Senator CURTIS. I would like to ask Mr. Martin a question.

Mr. Martin, do you know when the international audited the books of 342 following this transaction?

Mr. MARTIN. I do not, Senator. I think Mr. Kopecky may be able to answer that.

Senator CURTIS. Can you answer that at this time, Mr. Kopecky?

Mr. KOPECKY. I am sorry, Senator. I was looking at some records and did not hear the question.

Senator CURTIS. Do you know how soon after this transaction took place in November 1954, involving an alleged \$2,000 political contribution, 2 of them, how soon thereafter the international union audited the books?

Mr. KOPECKY. No; I don't have that at this particular time as to when the audit was conducted. But I do know that an annual audit in conducted by the CPA and was conducted for the year 1954.

Senator CURTIS. Do you know about when that annual audit takes place?

Mr. KOPECKY. That would be some time within a month or two after the close of the year.

Senator CURTIS. I think, Mr. Chairman, it is very important that the workers of the country, the rank and file of the union members, know whether or not audits are made of union books for the purpose of protecting officers or informing members. We have no evidence here or in a number of other cases that they are for the purpose of informing members and compelling officials to transact business legally and in accord with the constitution and bylaws of the organizations.

That is all, Mr. Chairman.

The CHAIRMAN. All right, Mr. Kennedy.

TESTIMONY OF MAX BLOCK—Resumed

The CHAIRMAN. Mr. Block, I hand you another check, a photostatic copy, dated June 24, 1955, and I will ask you to examine this check and state if you identify it.

(The document was handed to the witness.)

(The witness conferred with his counsel.)

Mr. BLOCK. Yes, sir.

The CHAIRMAN. Do you identify it?

Mr. BLOCK. Yes, sir.

The CHAIRMAN. It may be made exhibit No. 29.

(The document referred to was marked "Exhibit No. 29" for reference and will be found in the appendix on p. 11773.)

Mr. KENNEDY. Mr. Block, this is for an amount of \$10,013.19, paid to the order of the Butchers-Workers Local 640, and it is dated June 24, 1955. I would like to know what you did with this money.

Mr. BLOCK. Mr. Kennedy, I did not handle it. I don't do anything with this money. This money was sent to local 640 by the Teamster-Butcher Joint Committee. It was deposited in the union's account.

Mr. KENNEDY. What happened to the money once it was deposited? What was the money used for?

Mr. BLOCK. It was used for the strike in Long Island, the duck processing plants.

Mr. KENNEDY. We already had testimony from Mr. Beatson, who handled that strike, that they only spent about \$2,500 at the most in handling that strike. What happened to the rest of the money?

Mr. BLOCK. Maybe that is what he spent.

Mr. KENNEDY. He said he was in charge. Can you tell us how the money was spent? Did you spend any money out there?

Mr. BLOCK. Personally?

Mr. KENNEDY. Yes.

Mr. BLOCK. Very little.

Mr. KENNEDY. Then how was the money spent?

Mr. BLOCK. We had a normal strike. It was a little, of course, greater than normal. You had a lot of people involved. You had a tough fight. The State troopers and everyone else were on the necks of the strikers. I hadn't been there until the tail end of it. I got out there by Saturday night and stayed up all night until we settled it, until Sunday morning.

Mr. KENNEDY. He said you were paying 8 pickets \$8 a day.

Mr. BLOCK. He is bound to say a lot of things.

Mr. KENNEDY. Who has more information about it, then? You say you don't know.

Mr. BLOCK. I do. I do. Even though I was not there.

Mr. KENNEDY. How was the money spent, then?

Mr. BLOCK. You have an itemized——

Mr. KENNEDY. I have here. Friday, June 3, for the use of 20 cars, organizing expenses, \$1,100. Where did that \$1,100 go? Who spent it?

Mr. BLOCK. It went to the people that used it.

Mr. KENNEDY. Who disbursed the money?

Mr. BLOCK. I never disbursed the money.

Mr. KENNEDY. I am not saying you did. Who disbursed the money?

Mr. BLOCK. This was the record that I was given by the secretary of the union.

Mr. KENNEDY. Who was that?

Mr. BLOCK. Harold Lippel.

Mr. KENNEDY. Mr. Lippel told you this?

Mr. BLOCK. He gave me the report on what was spent.

Mr. KENNEDY. Was Mr. Beatson in charge of the strike?

Mr. BLOCK. Partially.

Mr. KENNEDY. Then Mr. Beatson would know how much money was spent out there, I think, and he says that the most that was spent was \$2,500. You have here 15 cars on Saturday, June 4, picketing expense, \$1,250. All he said you spent on picketing expense was \$64 a day.

Mr. BLOCK. Well, he says that. But that does not mean it is so. I mean after all——

Mr. KENNEDY. That doesn't mean it is so?

Mr. BLOCK. The people involved knew what it was. Don't forget, there were hundreds of people out there involved. It was a tough strike.

Mr. KENNEDY. You already said Mr. Beatson was in charge of the strike?

Mr. BLOCK. Partially.

Mr. KENNEDY. What?

Mr. BLOCK. Partially.

Mr. KENNEDY. Who else was involved in the strike?

Mr. BLOCK. Three-quarters of the agents from both locals, 342 and 640. We also had business agents from all different locals, from the Teamsters, from the Butchers District Council, from New Jersey.

Mr. KENNEDY. Who was disbursing the money, Mr. Block?

Mr. BLOCK. Almost every business agent disbursed money and signed vouchers and collected it in the union.

Mr. KENNEDY. If that is true, why is one of these checks, the \$10,013 which was deposited to the Butcher's Workmen's Union 640, and then there was a check written to cash on June 22, 1955, some 10 days or 11 days after the strike was over, to cash, for \$5,013.19?

(The witness conferred with his counsel.)

Mr. BLOCK. I could not tell you exactly what happened there. I think—go ahead.

The CHAIRMAN. Here is this check dated June 22, 1955. What is the date of the other transaction, Mr. Counsel, the \$10,000 check?

Mr. KENNEDY. June 24, 1955.

Mr. Chairman, the campaign was over on June 11, 1955. This check for \$5,000 to cash, over \$5,000 to cash, was written some 11 days later.

The CHAIRMAN. Here is a check dated June 26, 1955, in the amount of \$5,013.19, payable to cash. It is on local 640, of which you are president. That appears to be endorsed by Mr. Harold Lippel. I wish you would examine the check and state whether you identify it.

(The document was handed to the witness.)

(The witness conferred with his counsel.)

Mr. BLOCK. I don't know anything about this check.

(The witness conferred with his counsel.)

Mr. BLOCK. I don't know, sir. I don't know.

The CHAIRMAN. You don't know what?

Mr. BLOCK. I don't know what the check is for. It is not made out to me. My name isn't on it.

The CHAIRMAN. I know, but it is on your local, local 640, of which you are president.

Mr. BLOCK. It is not my local.

The CHAIRMAN. Do you recognize the handwriting on it?

Mr. BLOCK. No, sir. How would I recognize it—

The CHAIRMAN. That is not a forged check, is it?

Mr. BLOCK. I don't think so.

The CHAIRMAN. Mr. Lippel issued it, didn't he?

Mr. BLOCK. You have two signatures there.

The CHAIRMAN. That is his signature?

Mr. BLOCK. I imagine so.

The CHAIRMAN. That is his signature endorsing it on the back, isn't it?

Mr. BLOCK. Well, I am not an expert on handwriting, and I wouldn't swear to it, but I imagine it is authentic.

The CHAIRMAN. It looks like it is authentic, doesn't it? Well, the check will be made exhibit No. 30.

(The document referred to was marked "Exhibit No. 30" for reference and will be found in the appendix on p. 11774.)

The CHAIRMAN. All right, Mr. Kennedy.

(The witness conferred with his counsel.)

Mr. KENNEDY. What happened to that \$5,000?

Mr. BLOCK. I wouldn't know.

Mr. KENNEDY. Did you get any of that money?

Mr. BLOCK. No, sir.

Mr. KENNEDY. Mr. Block, once again, Mr. Beatson said that you did not spend the money out there. We are trying to find out what happened. You got \$10,000, and he says that the most you spent was \$2,500, and he was in charge of the strike.

Mr. BLOCK. He said so. We can't believe it because he says so.

Mr. KENNEDY. Will you tell me what happened?

Mr. BLOCK. I know how big the strike was, and I though we spent more than that.

Mr. KENNEDY. When we interviewed you originally, or the investigators interviewed you originally, you said, on page 206:

Ordinarily, I mean at the beginning, I sent out Danny Beatson with two more organizers to pull a strike, pulling the people out on strike.

On page 209, it reads:

Question. And you say you sent out Danny Beatson?

Answer. Yes.

Question. Was he in charge of the campaign?

Answer. Yes.

Here is a man that was in charge of the campaign, who says he spent at the most \$2,500, and when you talk about pickets he said they had 8 pickets, paid them \$8 a day, there weren't any other expenses to speak of, and you put in a bill for \$10,000, and later on there was a check drawn for a little more than \$5,000, written to cash. I would like to find out what happened to the \$5,000 in cash.

Mr. BLOCK. I am pretty definite the whole thing is legitimate, honest, and sincere, all the way down the line.

Mr. KENNEDY. Why, if it is legitimate, honest, and sincere, why, if there were bills put in by some of these other individuals, why wouldn't they make out individual checks to them? Why was it necessary to make out a check to cash?

Mr. BLOCK. Mr. Kennedy, I think I could bring affidavits from a hundred different individuals that helped in the strike, and who were there. It was a rough strike.

Mr. KENNEDY. The question is why didn't you just make out checks to those individuals? Why was the check made out to cash 11 days after the strike was over. There is another check here for the rest of the amount, \$5,000, during the period of the strike. I am putting less emphasis on this. This second check that I showed you was 11 days after the strike was finished.

Mr. BLOCK. I can't hear that; I am sorry.

Mr. KENNEDY. I said there was one check here that was made out during the period of the strike. Once again, this is for cash. I am not asking you about that at this time. I am asking you about the check of over \$5,000, which was made out over 11 days after the strike was over and asking you what happened to that money.

Mr. BLOCK. I wouldn't know, sir.

Mr. KENNEDY. You were president of the union. Aren't you shocked that this was going on right underneath your nose and you didn't know anything about it?

Mr. BLOCK. I am pretty sure it is authentic and legitimate. That is why I am not shocked. You make it appear that it is such a big deal. I know it is legitimate. We had a big strike there. I did not think we spent only \$10,000. That was my opinion.

I know there were hundreds of people involved. I remember when I got out there on a Saturday——

Mr. KENNEDY. Don't go through that. Why if there were bills to be paid at that time, why didn't you make out the checks to the individuals to whom you owed money? Is that the way you run your union or the union is run?

Mr. BLOCK. We run it very nicely.

Mr. KENNEDY. You have the sworn testimony here of the man in charge of the strike about \$2,500, and you have the rest of the evidence about a check made out to cash 11 days after the strike was over. I think you should have an explanation for it, if there is an explanation, legitimately.

Then you were asked again in the interview who disbursed the \$10,000 in connection with that campaign, as is indicated in the letter. Your answer was "Well, I would say Danny Beatson disbursed most of it."

Mr. BLOCK. That is only one answer. If you care to go further, you will find it.

Mr. KENNEDY. That says "Disbursed most of it." That is the answer.

Mr. BLOCK. It is very unfair, I think, when you inject one thing for the record. I don't think it is fair. I know the thing that was asked of me. I explained it thoroughly, a little more than I explained over here.

Mr. KENNEDY. Is there any other explanation you want to give on it, then?

What I think is the thing to explain is the checks to cash. I think that is what needs the explanation.

Mr. BLOCK. First of all, Mr. Kennedy, I did not sign the check. I am not the bookkeeper.

Mr. KENNEDY. You signed a letter asking for the \$10,000.

Mr. BLOCK. There is nothing wrong there. I didn't ask to send it to me. It was not made out to me. I did not put it in my pocket. It was sent to the organization. I think the organization spent more than \$10,000 at that time.

Mr. KENNEDY. That check went to the organization, but then there were checks drawn out.

Mr. BLOCK. There must have been a reason. I don't know why.

Mr. KENNEDY. This comes in the same category as the other \$2,000 on the other union, and you say you don't know why; O. K.

The CHAIRMAN. Has that bill been made an exhibit?

Mr. KENNEDY. I don't think so.

Do you want to make the other check an exhibit?

The CHAIRMAN. Here is another check. The \$5,013 check has already been made an exhibit. I will hand you another check dated the 8th of June 1955, in the amount of \$5,000, on the strike fund. Will you identify that?

(The document was handed to the witness.)

(The witness conferred with his counsel.)

Mr. BLOCK. This was drawn on the 8th. This was drawn on the strike.

The CHAIRMAN. That may be made exhibit 31.

(The document referred to was marked "Exhibit No. 31" for reference and will be found in the appendix on p. 11775.)

The CHAIRMAN. I hand you a document here, addressed to Mr. Leon Shacter, Cochairman, Teamsters and Butchers Joint Organizing Committee, 100 Indiana Avenue NW., Washington, D. C., and on which appears to be your signature. It is dated June 23, 1955. Will you examine that and state if you recognize it as a photostatic copy of the original, and if that is your signature?

(The document was handed to the witness.)

(The witness conferred with his counsel.)

Mr. BLOCK. It is my signature, sir; yes, sir.

The CHAIRMAN. You submitted that bill, did you?

Mr. BLOCK. I sent it in.

The CHAIRMAN. That may be made exhibit No. 32.

(The document referred to was marked "Exhibit No. 32" for reference and will be found in the appendix on p. 11776-11777.)

The CHAIRMAN. Where did you get the information upon which to submit those statements?

Mr. BLOCK. In the office of the union.

The CHAIRMAN. What office?

Mr. BLOCK. 640.

The CHAIRMAN. Whose?

Mr. BLOCK. Well, it was in the office, and the secretary handed me the report.

The CHAIRMAN. You don't know what became of the money?

You don't know what became of the money for these checks? I am speaking of the check for \$5,000 and the check for \$5,013. Do you know what became of that money?

Mr. BLOCK. Well, I know the staff has had a couple of conversations with the secretary, and I guess he gave them the information. I wouldn't know.

The CHAIRMAN. You have no records with respect to the expenditure except the checks made to cash; is that correct?

Mr. BLOCK. I don't understand the question.

The CHAIRMAN. You kept no records with regard to those expenditures except the checks made to cash? They total \$10,013.19.

Mr. BLOCK. There were records. Otherwise, I wouldn't know how to ask for them.

The CHAIRMAN. Where are the records?

Mr. BLOCK. I wouldn't know. There was plenty of vouchers and everything then.

The CHAIRMAN. What became of them? That was 1955.

Mr. BLOCK. Well, usually we keep everything until it is approved by the executive board and then it sits there until there is some other batch that comes up, and you do away with the old stuff and save the recent.

The CHAIRMAN. I introduced a bill to require records to be kept for a period of 6 years, and I am more convinced now than ever.

Mr. BLOCK. You should have it for 10 years, to keep records; I mean it.

The CHAIRMAN. We should have it for 10?

Mr. BLOCK. All right.

The CHAIRMAN. Maybe we do in your case. I won't argue with you about it.

Mr. BLOCK. In every case; I am sure it would be easier here to explain.

The CHAIRMAN. Well, the point is we come in here and we try to check these things, and officers know nothing about it, and they have no records, and the records are destroyed, and you get these big checks for cash and no one can explain it. If this thing is legitimate and sincere, as you say, you leave yourself vulnerable to suspicion of the strongest nature, and so records should be kept.

The men who pay these dues are entitled to know how that money is spent. We have just found it throughout our investigation, transactions of this character, just marked on the book "original expense" or "strike expense," and a big check, a lump sum taken out in cash.

It certainly affords an opportunity for theft, for misuse of funds, and I have a very strong feeling that in many instances they are handled that way purposely, and we find no vouchers for them.

All right, Mr. Kennedy.

Mr. KENNEDY. I would like to find out the explanation for this.

The CHAIRMAN. I hand you here a photostatic copy of a bank ledger entitled "Wholesale Meat Distributors Union Convention Fund," and it is dated April 10, 1953. The account was opened in July 8, 1940, originally. I will ask you to examine this and state if you identify it.

(A document was handed to the witness.)

Mr. BLOCK. Sir, I have never seen this, and I couldn't say what it is.

The CHAIRMAN. Who can identify it on the staff.

Mr. KENNEDY. Mr. Kopecky.

The CHAIRMAN. Mr. Kopecky, this document which the witness has in his hands, do you identify it?

Mr. KOPECKY. Yes, sir, I do.

The CHAIRMAN. What is it?

Mr. KOPECKY. It represents a photostat of a special savings bank account that was maintained by local union 640, and it was captioned "Convention Fund." It is captioned that way.

The CHAIRMAN. It may be made exhibit No. 33.

(Document referred to was marked "Exhibit No. 33" for reference and will be found in the appendix on p. 11778-11779.)

Mr. KENNEDY. What is the explanation of this bank account, the special bank account that was opened?

Mr. BLOCK. In what year, in 1940?

Mr. KENNEDY. It started in 1940, and specifically what I am trying to find out is two withdrawals made, one made on May 31, 1956, for \$5,000, and another withdrawal made on June 8, 1956, for another \$1,400, making a total of \$6,400 from this special bank account.

Mr. BLOCK. What is it you want to know, Mr. Kennedy?

Mr. KENNEDY. I want to know what happened to the money.

Mr. BLOCK. Apparently it was spent at the convention in 1956, in Cincinnati.

Mr. KENNEDY. Did you get the money?

Mr. BLOCK. I did not. I get my share.

Mr. KENNEDY. This is a special bank account which doesn't appear in the regular books and records, and there is a periodical deposit in the bank account during the course of the years, and there was this withdrawal, or two withdrawals in 1956, about the time of the convention. I want to try to find out what happened to that \$6,400. You received your regular convention expenses above and beyond that?

Mr. BLOCK. You must realize there were a lot of people involved in a convention, and there was a period of almost 2 weeks I was out of town. They all got their share of expenses. That is how it was spent.

The CHAIRMAN. Mr. Kopecky, these two slips I hand you, what are they?

Mr. KOPECKY. These are photostats of withdrawals, cash withdrawals that were made from this special convention fund account, and one cash withdrawal was made on May 31, 1956, for \$5,000, and another cash withdrawal was made on June 8, 1956, for \$1,400.

The CHAIRMAN. They may be made exhibits 34-A and 34-B.

(Documents referred to were marked "Exhibits No. 34-A and 34-B," for reference and will be found in the appendix on p. 11780.)

Mr. KENNEDY. Nothing appears in the books or records of the union in connection with this special convention account.

Mr. BLOCK. Mr. Kennedy, I didn't create this fund, and I found it in the union when I got to be an officer there. However, the money was spent on delegates to the convention in 1956.

Mr. KENNEDY. This was cash that was available, an extra \$6,400, and how much money did you receive regularly at that convention that was held in Cincinnati?

Mr. BLOCK. I couldn't tell you that.

Mr. KENNEDY. According to our records, we believe you received some \$3,500 in checks.

Mr. BLOCK. Me personally?

Mr. KENNEDY. Yes.

Mr. BLOCK. What kind of checks are you talking about?

Mr. KENNEDY. \$3,500, checks made out to you.

Mr. BLOCK. From where?

Mr. KENNEDY. From the International District Council, and the local, in connection with the Cincinnati convention.

Mr. BLOCK. Made out to me?

Mr. KENNEDY. Yes.

Mr. BLOCK. I guess it was used for the council group, and all of the delegates in the council.

Mr. KENNEDY. I am not questioning that, and now I am trying to find out about this. Every one of the delegates received some money to go to the convention, and I am trying to find out an explanation of this special convention account that doesn't appear on any of the books and records, and it is not mentioned in the minutes of any of our meetings. And then there is this withdrawal of \$6,400 which is the total amount left in the bank account. I am trying to find out what happened to the money.

Mr. BLOCK. Well, the delegates used it up.

Mr. KENNEDY. Did you just give it to the delegates?

Mr. BLOCK. Yes; how else are you going to do it?

Mr. KENNEDY. Did you pass it out?

Mr. BLOCK. I don't.

Mr. KENNEDY. Who passed it out to the delegates?

Mr. BLOCK. The secretary of the union.

Mr. KENNEDY. Mr. Lippel passed this money out to the delegates?

Mr. BLOCK. That is how it works.

Mr. KENNEDY. Is that what happened in this case, Mr. Lippel passed this money out to the delegates?

Mr. BLOCK. Who else would?

Mr. KENNEDY. Just answer the question, Mr. Block.

Mr. BLOCK. I imagine so.

Mr. KENNEDY. Is that what you know happened? Do you know what happened in this case?

Mr. BLOCK. Well, it can't be any other way.

Mr. KENNEDY. Just answer the question. Is that what happened in this case?

Mr. BLOCK. I imagine so.

Mr. KENNEDY. Well, Mr. Block, I am asking you if that is what happened. Do you know or don't you know?

Mr. BLOCK. That is the practice.

Mr. KENNEDY. Now, did that happen in this case?

Mr. BLOCK. I suppose that is the way it happened.

Mr. KENNEDY. Do you know what happened in this case?

Mr. BLOCK. I didn't stay there and watch. I don't know.

Mr. KENNEDY. You knew the money was being withdrawn?

Mr. BLOCK. Who drew the check? Do you have it?

Mr. KENNEDY. Just answer the question. Did you know the money was being withdrawn?

Mr. BLOCK. Of course.

Mr. KENNEDY. You did?

Mr. BLOCK. I had to know, and I didn't draw it, and I went there and lived there.

Mr. KENNEDY. You knew the \$6,400 was being withdrawn from this special convention fund?

Mr. BLOCK. Well, that was the fund for it.

Mr. KENNEDY. Just answer the question, Mr. Block.

Mr. BLOCK. Yes, sir.

Mr. KENNEDY. You knew the money was being withdrawn from this special convention fund?

Mr. BLOCK. I knew it was going to be used, and there is the special fund for conventions.

Mr. KENNEDY. Would you just listen to the question?

Mr. BLOCK. Yes, sir.

Mr. KENNEDY. Do you want to relax now and listen to the question. You knew at this time that the money was being withdrawn from this special convention fund, is that right?

Mr. BLOCK. I imagine I knew. But I just couldn't exactly give it to you the way you would like me to answer. I would like to answer you properly, but I am not definite on the exact issue.

Mr. KENNEDY. You don't recollect now?

Mr. BLOCK. I do recollect, and I mean I don't have to recollect. That is the way it works, and there is a convention fund, and the money was for that purpose.

Mr. KENNEDY. Why was the money withdrawn at that time when the delegates already had their expenses paid, and the checks issued to

them in the regular way? Why was this extra money withdrawn?

Mr. BLOCK. Well, I couldn't tell you that, but I have an idea.

Mr. KENNEDY. Did you give instructions to have it withdrawn, Mr. Block?

Mr. BLOCK. I imagine I must have told them to get some more money because the fellows were running short.

Mr. KENNEDY. Why didn't you just make checks out? They have such things as checkbooks, and you could make out a check to the man who is running short.

Mr. BLOCK. These fellows need cash at the bar, and they need \$40 or \$20, and how are you going to let them down, the rank and file members, and you must realize they got paid for their week's pay, which they lost also, in their jobs.

Mr. KENNEDY. This was just for you to pass out to the delegates?

Mr. BLOCK. It is not for me, and I did not use it.

Mr. KENNEDY. You and Mr. Lippel to pass out to the delegates?

Mr. BLOCK. Whoever needed money got it, that is all.

Mr. KENNEDY. You had \$6,400 in cash to pass out to the delegates; is that right?

Mr. BLOCK. I imagine so. I didn't know.

Mr. KENNEDY. That is the purpose of the money?

Mr. BLOCK. Well, it couldn't be any other purpose.

Mr. KENNEDY. Just answer, Mr. Block. Was that the purpose of the money; yes or not?

Mr. BLOCK. Well, I imagine so.

Mr. KENNEDY. You know, Mr. Block, and you gave the instructions to have the money withdrawn.

Mr. BLOCK. Yes; you asked me a question if I gave instructions, and I said that I imagine so. How else could it be?

Mr. KENNEDY. Now, the purpose of the money was to pass out to the delegates; is that correct?

Mr. BLOCK. Naturally.

Mr. KENNEDY. Did you keep much of this money yourself, Mr. Block?

Mr. BLOCK. Beg pardon?

Mr. KENNEDY. Did you keep much of this money yourself?

Mr. BLOCK. I don't recall having any money when I was on my way home.

Mr. KENNEDY. Did you keep much of the \$6,400 yourself?

Mr. BLOCK. I imagine I got less than the delegates received.

Mr. KENNEDY. Did you keep much of this \$6,400 yourself?

Mr. BLOCK. On my way home I didn't have any money.

Mr. KENNEDY. Did you keep much of the \$6,400 yourself?

Mr. BLOCK. How could I keep money if I didn't have it?

Mr. KENNEDY. Did you keep much of the \$6,400 yourself?

Mr. BLOCK. I don't know if I kept anything.

Mr. KENNEDY. What is the answer to the question, "I don't know"?

Mr. BLOCK. I didn't keep any money.

Mr. KENNEDY. You did not?

Mr. BLOCK. I don't go to a convention to make a profit.

Mr. KENNEDY. Then the answer is "No."

Mr. BLOCK. Of course not.

Mr. KENNEDY. Is the answer "No"; that you did not keep the money yourself?

Mr. BLOCK. Definitely not.

Mr. KENNEDY. You can answer those questions.

The CHAIRMAN. I don't know whether he has answered definitely he didn't keep any money.

Mr. KENNEDY. Perhaps I should ask him again.

The CHAIRMAN. Let me ask him once more.

You answered the question that you definitely did not; and now do you mean by that you definitely did not keep any of this money?

Mr. BLOCK. I may have kept it temporarily, but not for good, sir.

The CHAIRMAN. You may not have any of it now.

Mr. BLOCK. I didn't have it on my way home, either.

The CHAIRMAN. When you left the convention, you didn't have any of this money?

Mr. BLOCK. No, sir.

The CHAIRMAN. All right; proceed.

How many delegates were at that convention from your local, that is local 640?

Mr. KENNEDY. Yes; 640 and 342, and how many delegates were there?

Mr. BLOCK. I don't recollect how many there was.

Mr. KENNEDY. There were 26 delegates; is that correct, Mr. Block?

Mr. BLOCK. It could be.

Mr. KENNEDY. I don't understand, Mr. Block. Where finances are being kept properly, why is it necessary to have \$6,400 extra in cash around at the convention such as this?

Mr. BLOCK. I don't know any special reason.

Mr. KENNEDY. In addition to this, there was \$11,429.78 which was paid by check from the regular union checking account to the delegates.

The CHAIRMAN. How much?

Mr. KENNEDY. \$11,429.78.

The CHAIRMAN. Who can testify to that?

Mr. KOPECKY. Mr. Chairman, I can.

The CHAIRMAN. Is that in addition to the \$6,400 and to the \$3,500?

Mr. KOPECKY. No, sir. There was \$6,400 in cash drawn from this special savings account, which is not recorded in the books and records, and there is the sum of \$11,429.78 paid by check to all of the delegates at the convention, and then a sum of \$2,500 paid by the international union and the Butchers' District Council to Mr. Max Block.

The CHAIRMAN. Let us see what that totals.

Mr. KENNEDY. Mr. Block received \$1,000 out of this \$11,000.

The CHAIRMAN. That makes a total of \$19,920.78, if I am correct.

Mr. KOPECKY. That is correct.

The CHAIRMAN. Now, there were 26 delegates?

Mr. KENNEDY. For 1 week, plus Block and Lipell, so it would be 28.

The CHAIRMAN. We can calculate it. Go ahead.

Mr. KENNEDY. That is \$710, approximately.

The CHAIRMAN. It is \$710 per delegate; that is for 1 week. That is about \$100 a day.

Mr. KENNEDY. Of course, it is a little misleading, because Mr. Block himself received \$3,500. There was \$2,500 that he received here, and \$1,000 out of the local, and then of course he got at least part of the \$6,400, but \$3,500 that we know he received.

The CHAIRMAN. You had a pretty good time even if you didn't make any profit.

All right, proceed.

Mr. KENNEDY. How long have you known Mr. Raddock, Mr. Block?

Mr. BLOCK. A long time.

Mr. KENNEDY. How long is a long time?

Mr. BLOCK. About 26 or 27 or 28 years or something like that.

Mr. KENNEDY. You hold a mortgage on his Worldwide Press at the present time?

Mr. BLOCK. Yes, sir. That is not me, but the union.

Mr. KENNEDY. Local 342 and local 640?

Mr. BLOCK. Yes, sir.

(At this point, the following members were present: Senators McClellan and Curtis.)

Mr. KENNEDY. It was taken over from the welfare fund, was it?

Mr. BLOCK. I think it was from the welfare; yes, sir.

Mr. KENNEDY. The welfare fund was having some difficulty with the mortgage on Worldwide Press?

Mr. BLOCK. With the payments.

Mr. KENNEDY. You changed the terms of the mortgage when you took it over, is that right, and made the terms more lenient?

Mr. BLOCK. I did not.

Mr. KENNEDY. Your union did?

Mr. BLOCK. The attorneys did.

Mr. KENNEDY. What?

Mr. BLOCK. It was shorter periods in paying. Instead of collecting every 6 months or every year, it is made monthly, so we make sure that the payments are met.

Mr. KENNEDY. Instead of them having to pay \$7,000 each year, they only have to pay \$5,000 each year.

Mr. BLOCK. Monthly.

Mr. KENNEDY. But they only have to pay \$5,000 a year instead of \$7,000?

Mr. BLOCK. I am not familiar with that. I think the mortgage is smaller now than it was those years. I cannot tell you that. The lawyers drew it up.

Mr. KENNEDY. I would like to have Mr. Kopecky put in what the records show about the mortgage and then I have some questions to ask you.

Mr. KOPECKY. On June 12, 1951, the welfare funds of locals 342 and 640 each invested \$35,000 for a total of \$70,000 for a mortgage in Worldwide Press syndicate owned by Max Raddock. The terms were that the sum of \$7,000 each year would be paid until June 1961, which made it a 10-year mortgage.

However, in December 1956, the mortgage was assigned from the welfare funds to the local unions themselves, and at that time there was a modification of the terms, wherein the local unions would collect only \$5,000 a year instead of the \$7,000 a year as had been originally agreed upon.

Mr. KENNEDY. Was the mortgage in default at the time these negotiations took place, for taking over the mortgage by the union?

Mr. BLOCK. I couldn't give you that answer exactly.

Mr. KENNEDY. Was it, Mr. Kopecky?

Mr. KOPECKY. Yes.

Mr. KENNEDY. How much in default?

Mr. KOPECKY. Worldwide Press syndicate should have paid \$38,500 until the middle of 1956. However, they had paid only \$12,250. Accordingly, they were in default in excess of \$20,000.

Mr. KENNEDY. What would prevail upon you with the bad relationship that the welfare fund of your union had had with Mr. Raddock—what would prevail upon you to take over the mortgage yourself, the unions, the two local unions of which you were president? Was it your friendship for Mr. Raddock?

Mr. BLOCK. My personal friendship has nothing to do with the affairs of the union. Now, the statement has been made by Mr. Kopecky—would you answer me a question, Mr. Kopecky?

Is it all right with you as general counsel?

Mr. KENNEDY. Do you have some explanation you want to give?

Mr. BLOCK. Yes; I would like to clarify it, because I am not familiar with it. We left it to the lawyers.

Mr. KENNEDY. You clarify it.

Mr. BLOCK. Did Mr. Raddock pay up all his money that he owed to that fund, to the mortgage, until it was changed? Did he pay up the default?

Mr. KOPECKY. No; he did not.

Mr. BLOCK. I understand they made \$12,000 profit on that, the fund did.

Mr. KENNEDY. No; the records indicate that he was in default in excess of \$26,000, and there was a payment of approximately \$16,000 that was made in 1956 at the time of the assignment.

Mr. BLOCK. Did he pay all the interest on the mortgage up to before they transferred it?

Mr. KENNEDY. Not all the arrears was paid. Just a part.

Mr. BLOCK. I am talking about interest.

Mr. KENNEDY. All of the interest was paid, but not the principal.

Mr. BLOCK. The original mortgage was \$70,000?

Mr. KENNEDY. That is correct.

Mr. BLOCK. What is it now?

Mr. KENNEDY. Now it is \$60,000.

Mr. BLOCK. I don't like to ask you, but it is for my own information, because I don't know. That is why I am asking you.

Mr. KENNEDY. You are president of local 640 and 342. You are the one that made these transactions with Mr. Raddock. You are the one that was president of the locals when they took these mortgages over from the pension fund. You are the one that has the responsibility, Mr. Block. Did you also have some bonds?

Did the local unions take some bonds in Mr. Raddock's company? (At this point, Senator Goldwater entered the hearing room.)

Mr. BLOCK. Yes, sir.

Mr. KENNEDY. \$10,000?

Mr. BLOCK. I think so.

Mr. KENNEDY. Why is it you have always felt so close to Mr. Raddock that you would do him these favors? Did you feel that he was a good labor leader?

What?

Mr. BLOCK. He is not a labor leader.

Mr. KENNEDY. Did you feel that he was always interested in bettering labor?

Mr. BLOCK. He is.

Mr. KENNEDY. He is? Always a friend of labor?

Mr. BLOCK. That is the way I found him to be.

Mr. KENNEDY. You liked his newspaper?

Mr. BLOCK. Yes, sir.

Mr. KENNEDY. If he is a friend of labor, Mr. Block, can you explain to us why he hired a private investigator in 1957 to investigate Mr. George Meaney?

Mr. BLOCK. I couldn't tell you that.

Mr. KENNEDY. Did you know that he had hired a private investigator to investigate Mr. George Meaney?

Mr. BLOCK. No, sir.

Mr. KENNEDY. He is head of the A. F. of L-CIO.

Mr. BLOCK. No, sir; I don't know that.

Mr. KENNEDY. You knew nothing about it?

Mr. BLOCK. How would I know?

Mr. KENNEDY. This is the individual and the firm to whom the union has been very generous during their period of the past 5 or 6 years. What is the explanation for it, Mr. Block?

Mr. BLOCK. My opinion is that he runs the finest labor newspaper in the country. It gives you coverage. It covers the labor of the whole country. That is the reason.

Mr. KENNEDY. Can you explain, then, why he hired and paid a private investigator to investigate the head of the AFL-CIO, if he puts out a labor newspaper?

Mr. BLOCK. I really don't know. I don't know that he did it.

Mr. KENNEDY. The facts are that he did.

Mr. BLOCK. I don't know about any of the facts, except what I hear over here.

Mr. KENNEDY. Where did you get the money, Mr. Block, to take this mortgage from Mr. Raddock, to take it from the welfare fund on Mr. Raddock's Worldwide Press?

Mr. BLOCK. We borrowed it from the bank.

Mr. KENNEDY. So the welfare fund was having difficulty with the mortgage, it was in default. The union took it over and the union had to borrow from the bank in order to take it over, is that right?

Mr. BLOCK. Well, I will give you an explanation of that.

Mr. KENNEDY. That is correct, is it not?

Mr. BLOCK. But I think it needs an explanation.

Mr. KENNEDY. You can give an explanation, but that is correct; is it not?

Mr. BLOCK. The union had——

Mr. KENNEDY. Is that correct, Mr. Block? Then you can give any explanation you want.

Mr. BLOCK. I forgot the question.

Mr. KENNEDY. The mortgage—oh, give an explanation.

(The witness conferred with his counsel.)

Mr. BLOCK. I am sorry.

Mr. KENNEDY. I will ask it again.

Isn't it correct that the mortgage was in default of the welfare fund, the mortgage that was held on the Worldwide Press by the

welfare fund was in default, that the union took it over and when it took it over it had to borrow from a bank in order to put up the money?

Isn't that correct?

Mr. BLOCK. It didn't have to, sir.

Mr. KENNEDY. It did borrow—wait a minute. They did borrow from a bank?

Mr. BLOCK. We did, yes. That is correct. But we didn't have to. That is what I tried to explain. We did it from a business standpoint, because the union has made money on the deal. We paid the bank all of the money by now, and we are making a full profit on the mortgage. It is a safe mortgage.

Mr. KENNEDY. But they were in default for the first year.

Mr. BLOCK. If he is in default again he will lose the building and the union will make a lot of money.

Mr. KENNEDY. He was in default in the first year and you had to pay \$650 in interest to the bank in that period of time.

Mr. BLOCK. The union made money on the deal all the way. If you check the record, I am sure Mr. Kopecky knows that.

He is a good man.

Senator CURTIS. What I would like to know, Mr. Chairman, is what rate of interest did they pay the bank and what rate of interest did Worldwide Publishing pay on this mortgage to the union?

Mr. BLOCK. From my information, we got the money for about 3 percent and we got about 5 in return. That was for a short term. We paid the money back to the bank after a few months; as we got our money in the bank, and in our own banks, we paid it back, and now we have the mortgage with a 5-percent interest payable every month. Our union is making money on the deal all the time.

The building is worth about three hundred or four hundred thousand dollars. The whole mortgage is \$60,000.

Mr. KENNEDY. Do you have a hotel suite at the Beverly Hotel?

Mr. BLOCK. Sometimes.

Mr. KENNEDY. Is that paid for by the union?

Mr. BLOCK. I beg your pardon?

Mr. KENNEDY. Is that paid for by the union?

Mr. BLOCK. Yes, sir.

Mr. KENNEDY. Is that near the Black Angus Restaurant?

Mr. BLOCK. It is about a block away or so.

Mr. KENNEDY. How much money have you paid to the Beverly Hotel for that hotel suite?

Mr. BLOCK. I don't have any steady suite. We use the hotel when we need it.

Mr. KENNEDY. The union does, or the members of the Black Angus Restaurant?

Mr. BLOCK. Oh, please. It is strictly used from the union standpoint.

Mr. KENNEDY. Don't you have a room at the union that you could use?

Mr. BLOCK. We use a lot of rooms.

Mr. KENNEDY. Why do you need a hotel suite at the Hotel Beverly which is close to the Black Angus Restaurant?

Mr. BLOCK. I just happen to know that hotel. It is a nice, clean hotel. We used, last Saturday, and we must have spent about \$2,000 or \$3,000, the Shelton Towers.

Mr. KENNEDY. How much money have you spent, has the union spent, in payment to the Beverly Hotel?

Mr. BLOCK. I couldn't give you the exact figure on that. What period?

Mr. KENNEDY. 1952-57 shows \$9,301.82.

Mr. BLOCK. I think that is not too much.

Mr. KENNEDY. All paid for by the union?

Mr. BLOCK. Yes, sir.

Mr. KENNEDY. Why couldn't you use the union offices?

Mr. BLOCK. I use the union offices, too.

Mr. KENNEDY. We found that a number of people who stayed in that hotel, with bills amounting to \$800 or \$900, at least, had nothing to do with the union, and their hotel bills were paid for by the union.

Mr. BLOCK. That could be.

Mr. KENNEDY. You are aware of that; are you not?

Mr. BLOCK. Yes, sir.

Mr. KENNEDY. Is there going to be some reimbursement for that to the union?

Mr. BLOCK. We will check on that when we get back; yes.

Mr. KENNEDY. You will get the union reimbursed for that money?

Mr. BLOCK. Yes, sir.

Senator GOLDWATER. Mr. Chairman?

The CHAIRMAN. Senator Goldwater.

Senator GOLDWATER. Mr. Block, did I hear you right when you said you spent \$50,000 last Saturday at the Sheraton?

Mr. BLOCK. No.

Senator GOLDWATER. I thought you said \$50,000.

Mr. BLOCK. I said about \$500 or \$600. Maybe more. I am not sure exactly. We had 120 people all day from 10 in the morning until 3 o'clock Sunday morning. There was 3 meals involved, and we were meeting all day in 5 rooms, and those things. It may be more. I may be wrong. I am sorry.

(The witness conferred with his counsel.)

Mr. BLOCK. I am sorry. Maybe I did say. I am sorry.

The CHAIRMAN. We can't finish with this witness tonight, so we will have to go over until tomorrow morning. The committee will stand in recess until 10:30 o'clock in the morning.

(Whereupon, at 4:28 p. m., the hearing was recessed, to reconvene at 10:30 a. m. Wednesday, May 28, 1958. At this point, the following members were present: Senators McClellan, Goldwater, and Curtis.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

WEDNESDAY, MAY 28, 1958

UNITED STATES SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES
IN THE LABOR OR MANAGEMENT FIELD,
Washington, D. C.

The select committee met at 10:30 a. m., pursuant to Senate Resolution 221, agreed to January 29, 1958, in the caucus room, Senate Office Building, Senator John L. McClellan (chairman of the select committee), presiding.

Present: Senator John L. McClellan, Democrat, Arkansas; Senator Sam J. Ervin, Jr., Democrat, North Carolina.

Also present: Robert F. Kennedy, chief counsel; John J. McGovern, assistant counsel; Walter R. May, investigator; George H. Martin, investigator; John Cyé Cheasty, investigator; Ruth Young Watt, chief clerk.

(At the convening of the session, the following members were present: Senators McClellan and Ervin.)

The CHAIRMAN. The committee will come to order. Call the witness.

Mr. KENNEDY. Mr. Block.

The CHAIRMAN. Mr. Block, come forward, please.

TESTIMONY OF MAX BLOCK, ACCOMPANIED BY JAMES M. MCINERNEY, COUNSEL—Resumed

The CHAIRMAN. Mr. Kennedy, you may proceed.

Mr. KENNEDY. Mr. Block, I wanted to ask you about the situation at A. & P. in 1952. You were attempting to organize the A. & P. Co. in 1952?

Mr. BLOCK. Part of the A. & P.

Mr. KENNEDY. The A. & P. in the New York area?

Mr. BLOCK. Yes, sir.

Mr. KENNEDY. Did you feel at that time that you had the employees in favor of the Amalgamated Meat Cutters?

Mr. BLOCK. Yes, sir.

Mr. KENNEDY. If that was true, why did you not permit an election in the stores?

Why were you against having an election in the stores?

Mr. BLOCK. Well, the legal department handled that end of the matter because of the fact that—

Mr. KENNEDY. I understand that they could not have had a National Labor Relations Board election because the elections had been

held in the Brooklyn and Bronx units. What I was wondering was why, according to the testimony before the committee, you would not allow an election from an independent source, other than the National Labor Relations Board. I wanted to find what the reason for that was, if it was true that you did have the members, you did have the employees, lined up in favor of the Meat Cutters.

Mr. BLOCK. I did not understand the question, Mr. Kennedy.

Mr. KENNEDY. If it was true that you had the employees lined up in favor of the Meat Cutters, why didn't you allow an election under independent auspices?

Mr. BLOCK. Why did I allow it?

Mr. KENNEDY. Why didn't you?

Mr. BLOCK. This was not up to me to decide. This was a legal problem, I thought, and the lawyers handled that.

Mr. KENNEDY. According to the testimony we have had before the committee, you told the people from A. & P. that if they did try to have an election, you would call a strike.

What was the reason for that if the employees were in fact in favor of the Amalgamated Meat Cutters?

Mr. BLOCK. I will have to give you a little background on that to explain.

Mr. KENNEDY. I don't mind the background if it is pertinent to the question I asked.

Mr. BLOCK. I think it is pertinent. I don't know how the committee will feel about that. You must realize that we had an agreement with the A. & P. Tea Co. for the meat departments in Brooklyn and Long Island since 1950. The Bronx unit, local 400 was the representative there at that time, I think they had an agreement for the meat departments since 1947. When the contract was negotiated for the meat departments by a committee consisting of, I think it was, 53 people, workers in the shops, of all these locals, 342,400—

Mr. KENNEDY. Mr. Block, we have had all of that in the record. We know that you had the meat shop signed up. All I am asking you is why they did not have an election. If there is no answer to that, I will go on to something else. I don't want to prolong it.

Mr. BLOCK. Mr. Kennedy, I wish you would bear with me about a minute, and it will clarify to you and to the committee. So when the contract was concluded, agreed to by the officials and the company, we felt that if we would sign an agreement for this department with the company, and then wait to hold an election, go through all the procedures, jurisdictional arguments, we would not be in a position to bargain for our people. By that time the workers in the A. & P. that have joined our unions would either leave the company, and maybe some would have been discharged, or they may have changed their minds about joining the union, and we would not be in a position to strike because we would have in our agreement with the company a no-strike clause, and we don't have a habit of pulling wildcat strikes.

This was the reason why we were very much interested in concluding it while the agreement was agreed to by the union's committee and the company.

Mr. KENNEDY. That is your answer to the question?

Mr. BLOCK. Yes, sir.

Mr. KENNEDY. Mr. Block, going on to the next step, why did you insist on the secrecy surrounding the card count? I don't feel the other answer answers the question, but going on to this, why did you insist on the secrecy surrounding the card count?

Mr. BLOCK. I don't think we had any secrets. There were too many people that knew about it, so—

Mr. KENNEDY. Why did you insist, Mr. Block? We have had sworn testimony before the committee by a number of different individuals in the A. & P. Co. that you told them that if they did not keep the card count secret, you would strike the store; that they weren't allowed to advise their employees that this card count was going on. For instance is that testimony by Mr. Ratcliffe accurate?

Mr. BLOCK. I don't know the testimony, sir.

Mr. KENNEDY. I will read it to you. This is at page 553.

Question. Why didn't the A. & P. Co. make it public, the fact that this was going to be a card count?

Mr. RADCLIFFE. For two reasons. In our book, it is the union's duty to make it public, and No. 2, under threat of strike, we had to keep our mouth shut.

Mr. BLOCK. That is his opinion.

Mr. KENNEDY (reading):

Question. Do you mean that the union said, "Unless you keep it quiet that you are going to have a card count, we will strike you"?

Answer. Yes, sir. That was part of the whole arrangement.

Is that testimony true or not?

Mr. BLOCK. I will say that that was his opinion, I imagine.

Mr. KENNEDY. Is it true?

Mr. BLOCK. I couldn't see where there are secrets where more than one knows there are secrets and thousands knew. If you want, I will show you proof that was sent out to all the membership in reference to the organizing campaign.

Mr. KENNEDY. Mr. Block, there was a card count held on October 10 and 11. The employees prior to that were not informed in the A. & P. stores that there was going to be a card count. We asked the A. & P. officials why they were not informed, why they did not inform their employees. They stated before the committee the reason they did not inform their employees was because you threatened to strike them if they told their employees there was going to be a card count.

I am trying to find out from you what the explanation is. Either give an explanation or say you have no explanation, and let's go on.

Mr. BLOCK. Mr. Kennedy, I don't know, and I can't be responsible for what a person says that testifies. I can say the way I see it and the way I felt about it at the time, and to the best of my knowledge at the time I did not know about any secrecy.

Mr. KENNEDY. You did not know about any secrecy?

Mr. BLOCK. I don't understand secrets when thousands of people knew about it.

Mr. KENNEDY. That is not the question. Just answer this question: Did you tell the A. & P. Co., any officials of the A. & P. Co., that you would strike their stores if they made this card count public?

Mr. BLOCK. I don't recollect anything like this, Mr. Kennedy.

Mr. KENNEDY. The record is going to have to stand as it is that you did tell them that, unless you deny it. Do you deny it or not? Is your answer you can't recollect it?

Mr. BLOCK. I can only say what I know and what I recollect. I can't just find an answer that would fit the program. I just answer to the best of my ability as I see it.

Senator ERVIN. If I might suggest, it is not necessary to find an answer that will fit a program. All we want is an answer which will fit the truth.

Mr. BLOCK. Senator, I am trying to tell the truth to the best of my ability.

Senator ERVIN. You said you could not find an answer that will fit the program, which is a rather peculiar kind of an answer, according to my way of thinking.

Mr. BLOCK. Well, I guess it is how you think. I mean well.

The CHAIRMAN. All right.

Mr. KENNEDY. Mr. Block, I now want to ask you about the phony cards. Did you have anything to do with your business agents making up phony cards in the A. & P. discussions, the card count?

Mr. BLOCK. I just don't understand the question.

Mr. KENNEDY. We have had some testimony before the committee by a business agent that there were phony cards made up in the offices of local 342 and were used, and then delivered to the A. & P. Co. and were used in the card count that was held on October 10 and October 11.

The testimony also was that you knew about it. I am trying to find out now your comments on it, as to whether you did know about these phony cards being made up.

Mr. BLOCK. Well, I can't stop anyone from making accusations.

Mr. KENNEDY. Did you know the phony cards were being made up?

Mr. BLOCK. Mr. Kennedy, I don't know of anything like that.

Mr. KENNEDY. You don't know of anything?

Mr. BLOCK. They didn't need anything like that.

Mr. KENNEDY. But did you know the phony cards were being made up?

Mr. BLOCK. I don't know of anything like this, Mr. Kennedy.

Mr. KENNEDY. Then your answer is "No," you never knew about the phony cards?

Mr. BLOCK. My answer is that I never knew of anything like this.

Mr. KENNEDY. We have also had testimony regarding phony cards used in the King Kullen and Kollner cases. Did you know anything about those, phony cards being made up by business agents in the offices of the local of which you were president?

Mr. BLOCK. I don't understand that one. What kind of phony cards?

Mr. KENNEDY. Fictitious cards, people filling in names.

Mr. BLOCK. What would we need that for? I don't understand it.

The CHAIRMAN. Let me ask you a question. I want to get this moving along. The testimony was that in the office of the union, they took cards and filled them out and signed people's names to them and turned them in to be counted as representing the will of the men. an expression of the men, whose names were signed to them by someone else.

In other words, forging cards and sending them in there to be counted so that the count would show that a majority of them wanted

your union to represent them. Don't tell me you don't understand that.

Mr. BLOCK. Mr. Chairman, I understand what you are saying.

The CHAIRMAN. All right. Did you do it?

Mr. BLOCK. You are putting it to me as a question?

The CHAIRMAN. To you, yes.

Mr. BLOCK. I can tell you that I never did anything like this.

The CHAIRMAN. Did you see it done there in your presence?

Mr. BLOCK. No, sir.

The CHAIRMAN. You know nothing about it having been done?

Mr. BLOCK. No, sir.

The CHAIRMAN. All right; proceed.

Mr. KENNEDY. And that is in the A. & P. case, the King Kullen case and the Kollner case, is that right?

Mr. BLOCK. I don't know any company at any time where it happened.

Mr. KENNEDY. You don't know of any instance where that ever happened, is that right?

Mr. BLOCK. I don't.

Mr. KENNEDY. All right. That is fine.

We have also had testimony, Mr. Block, that there was a secret agreement made in the A. & P. case, a secret agreement which was made between you and Mr. Schimmat, of the A. & P. Co., extending the 45-hour week for an extra 33 months. Do you have any statement to make about that. Did you make such a secret agreement?

Mr. BLOCK. I don't know of any secret agreements.

Mr. KENNEDY. Did you make any agreement extending the 45-hour week for an extra 33 months in October, November, and December of 1952?

Mr. BLOCK. I recall when your investigators——

Mr. KENNEDY. Just answer. Did you make an arrangement extending the 45-hour week?

Mr. BLOCK. Would you please give me the courtesy of explaining a little so you will understand it? I want to go along with you and not just drag it out. But at the same time I would like to clarify it.

Mr. KENNEDY. I would think you do answer that question yes or no and then give an explanation.

Mr. BLOCK. I don't think I could just answer it like that.

The CHAIRMAN. Well, move along. I will help you get an answer. Move along. Either answer or make your explanation.

Mr. BLOCK. When your investigators spoke to me about that, I told them that there was some kind of a letter that I had written. I did not know exactly, I did not recollect anything about any agreements. But in essence I would have said to the company that they could be sure that I am not going to subject this company to work 40 hours when the rest of the industry would be working 45. I would say this to any company.

We don't intend to use one company against the other or take advantage of one company because we happen to be in a position to force them to work shorter hours while the others are working longer.

Our position was always that we worked fair with the whole industry, regardless of the size of the company.

The CHAIRMAN. That is a good policy. Now, did you give them a 45-hour week?

Mr. BLOCK. Mr. Chairman, I am not in the position to give anything. I am just the president of the union.

The CHAIRMAN. Well, as president of the union, or your unions, did you give them a 45-hour week?

Mr. BLOCK. I did not give them. The committee that negotiated a contract for 45 hours—

The CHAIRMAN. Did the committee do it?

Mr. BLOCK. Well, we negotiated an agreement for 45 hours.

The CHAIRMAN. All right. For how long?

That was a 2-year contract that you negotiated.

Mr. BLOCK. About that.

The CHAIRMAN. Twenty-two months?

Mr. BLOCK. Then we negotiated another one in 1955 or 1954, whenever it was.

The CHAIRMAN. But what did you do right after you negotiated the one for the 45 hours for 22 months?

Mr. BLOCK. What did I do?

The CHAIRMAN. Yes.

Mr. BLOCK. I did a lot of things.

The CHAIRMAN. I know. Among other things, did you write a letter in which you extended the 45-hour work week for 5 years?

Did you do that? You, yourself, not the union.

Mr. BLOCK. Did you say me, Mr. Chairman?

The CHAIRMAN. Yes.

Mr. BLOCK. There could have been a letter.

The CHAIRMAN. Did you do it?

Mr. BLOCK. To the best of my recollection, after having gone through the whole thing and listening, there may have been a letter.

The CHAIRMAN. According to the best of your recollection, there may have been a letter?

Mr. BLOCK. That is right.

The CHAIRMAN. One that you signed?

Mr. BLOCK. The one that I sent.

The CHAIRMAN. You signed it?

Mr. BLOCK. Well, I would sign a letter that I sent, of course.

The CHAIRMAN. You signed the letter. According to your best recollection, you did that?

Mr. BLOCK. To the best of my recollection, I could have sent a letter, and if I sent a letter, most likely I would sign it.

The CHAIRMAN. Naturally you signed it. You remember it, don't you?

Mr. BLOCK. I beg your pardon?

The CHAIRMAN. You remember doing it, don't you?

Mr. BLOCK. I couldn't say exactly, but—

The CHAIRMAN. Can you say "unexactly"? Did you write the letter extending the 45-hour workweek for a period of 5 years?

Mr. BLOCK. I don't write a letter this way, sir, and I cannot extend by myself anything. It has to be—

The CHAIRMAN. It isn't a question of what you can do. Did you do it? Anyone can write a letter saying that, whether they have the authority or not. Did you write such a letter?

(The witness conferred with his counsel.)

Senator ERVIN. Mr. Block, when I was a small boy, I used to go to carnivals, and in all the carnivals they had down in my country they had 1 operation where a man would charge you a nickel and give you 3 balls and you could throw the 3 balls at an employee of his who stood about 40 feet away and stuck his head through a hole in the canvas. It was his business to dodge those balls. Now, if you happen to hit him with one of those balls, the man who operated this concession had to give you a prize. If you missed, he didn't give you anything and he kept your nickel as entirely profit. From having observed you as a witness and seeing how you dodge questions, I would like to make arrangements to get you to be my dodging man in the carnival, because nobody would ever hit you and everything would be clear profit.

I have spent a large part of my life in a courthouse listening to witnesses being examined, and I have never seen a person who resorted to dodging process to evade a simple answer to a plain and simple question, who possessed the skill which you have demonstrated in that respect to this committee this morning.

They asked you a plain question about 15 minutes ago of whether or not you signed a letter to the A. & P., directed to the A. & P. Co., in which you agreed that the previous 22-month contract for a 45-hour week would be extended for an additional period sufficient to meet in all a period of 5 years.

You know whether or not you signed such a letter. You have been asked the question about 10 times and you never have answered whether you signed a letter to that effect.

Mr. BLOCK. Senator, I could appreciate the way it may sound from the other end of the table.

Senator ERVIN. You see, you are evading and dodging again. You know whether or not you signed a letter to that effect.

Mr. BLOCK. If I sent the letter, naturally I would sign it. But I do not——

Senator ERVIN. Well, you know whether you sent a letter like that or delivered it to somebody.

Mr. BLOCK. A letter is not a contract, or trying to get me——

Senator ERVIN. You are arguing about the legal effect of the letter. That is not the point.

The CHAIRMAN. The letter may be a contract; it may very well be a contract.

Senator ERVIN. You know very well whether you sent, delivered, or signed a letter to that effect. I don't believe you can forget that.

Mr. BLOCK. You can. That is 6 years ago, sir, when we are talking about.

Senator ERVIN. You signed a letter affecting 10,000 of your dues-paying members, or the ones you hoped to have for your dues-paying members, and now you tell me that you can't remember a letter that you signed of a secret nature like that?

Mr. BLOCK. Senator, when I send a letter, I don't see where it should be public. I send lots of letters, and I don't just publicize them.

Senator ERVIN. You see, we ask about one thing and you go and talk about some other thing. Are you swearing upon your oath here that you have not got the slightest recollection whether or not you sent, delivered, or signed a letter of that nature?

Mr. BLOCK. It is pretty hard to remember 6 years ago, a letter that one sends. It is not as easy——

Senator ERVIN. You have not answered the question. I have not asked you whether it is hard. I am asking you whether you are swearing upon your oath that you do not have the slightest recollection whether or not you signed a letter of that character. You can answer that yes or no very simply. In fact, that is the only kind of a relevant answer you can give for that question.

Mr. BLOCK. It is 6 years ago.

Senator ERVIN. That is not an answer.

Mr. BLOCK. Well, I will, if you will permit me. I am not looking to dodge or hedge. I just want to be sure when I say something it is so. That is why.

Senator ERVIN. That is the reason I am asking you again a very simple question which I have put to you at least 4 times in the last 5 minutes. That is this: Are you testifying upon your oath that you do not now at this present moment have the slightest recollection whether or not you signed or delivered or sent to the A. & P. Tea Co. a letter of the nature that I have described?

You either have a recollection or you do not have a recollection. I am asking you about your present recollection in respect to that letter.

Mr. BLOCK. My present recollection right here is I am just mixed up. I just cannot recollect. But I have heard testimony that there was a similar letter. So I imagine I did send a letter. If I sent a letter, I know what I would have said, because I am not in the position to sign agreements by myself. I got the proof that we always had big committees.

Senator ERVIN. You are swearing that if you had written a letter, you would have recollected what you had in the letter, but you can't recollect whether you wrote the letter. Is that what you are swearing?

Mr. BLOCK. I couldn't say that.

Senator ERVIN. Well, that is exactly what you are saying. You said if you had written a letter you would have done so-and-so, but you can't remember whether you did write the letter. You are swearing that you have no present recollection of ever having written a letter of that character, aren't you?

Mr. BLOCK. It could have happened, Senator. I didn't say it could not have happened. But you must realize it did not happen yesterday. We are talking about 6 years ago. I write a lot of letters every day, every week.

Senator ERVIN. You do not so often participate in making a secret agreement behind the backs of the people you are supposed to be representing, you do not do things like that so often that matters of that kind are so inconsequential they do not impress themselves on your memory, do you?

Mr. BLOCK. Sir, I never do these things behind anybody's back or behind the people I represent. I represent them honestly to the best of my ability. I have plenty of proof to prove it. We are the largest negotiating committee of any union of its size. I got some proof that we always had large committees with business agents and everything else.

Senator ERVIN. Then if your last answer is correct, you are prepared to swear or should be prepared to swear now that you did not undertake to make a secret agreement with A. & P. Tea Co. to extend the 45-hour a week contract for an additional period of 33 months, making 5 years in all? You are willing to swear, then, that you never have done anything like that, that you never did write such a letter, aren't you?

Mr. BLOCK. I did not say that I did or I did not. It could have happened. It was 6 years ago, sir, that we are talking about.

Senator ERVIN. You just swore that you never made any kind of agreements behind anybody's back. If that is so, then you never did write a letter that was intended to operate as a secret agreement, did you?

Mr. BLOCK. It was never intended—I never would do anything that I would have to lie to the people or to lie to anyone. If you will check my record organizationally that will prove out.

We run a legitimate organization, and we do our best to make it legitimate to the best of our ability. As I said, Senator, I appreciate your feelings sitting there and think that I am dodging. I am not. You must realize I am under oath, and before I make a definite statement I want to be sure. How, how can I now be sure? We are human beings.

Senator ERVIN. It seems to me that when you make a protestation that you were never a party to a secret agreement of that kind, then you ought to be able to swear that you never had anything to do with a letter of that character. But when you are asked about it, you say you don't remember. You don't even have any recollection one way or the other about the matter. That is all.

The CHAIRMAN. Proceed, Mr. Kennedy.

Mr. KENNEDY. The record will have to remain as it is, with Mr. Schimmat's testimony, where he testified on page 346—

I agreed to change it providing he—
meaning Mr. Block—

would give me a letter or a supplement with this change guaranteeing me a 45-hour week until 1957. He refused to include it in the supplement but he did agree to furnish me with a letter, and on this letter I insisted I wanted the international's name on it, Mr. Gorman's.

And then on the question of the secrecy, Mr. Schimmat states on page 346—

I was asked by Mr. Block to keep it quiet, not to publicize it, and I agreed to do it and I kept my word.

That record will have to remain unless you challenge it, Mr. Block.

The CHAIRMAN. It is quite a reflection on you, if it is true. You have a chance to deny it. You say it is legitimate, you run a legitimate union. O. K., if it is, did this happen?

Mr. BLOCK. Mr. Chairman.

The CHAIRMAN. It is a reflection on you unless you can deny that you did it.

Mr. BLOCK. My intentions are honorable and always have been. As I said, I would not have signed an agreement as you have stated secretly or otherwise unless the people would know about it.

However—

The CHAIRMAN. You say you wouldn't have, but this fellow says you did. Did you or didn't you?

Mr. BLOCK. What did it say in there? I am sorry, Mr. Kennedy, to have to——

The CHAIRMAN. He said he insisted on a letter and you gave it to him, and then you asked him to keep it secret. That is what he said.

Mr. BLOCK. I would like to listen——

The CHAIRMAN. It is just that simple.

Mr. KENNEDY. That is it.

Mr. BLOCK. That is what it was in essence?

Mr. KENNEDY. Yes.

Mr. BLOCK. I don't recollect any time asking anybody about being secret. But then at the same time I don't see why I have to publicize a letter. That is what I mean.

Mr. KENNEDY. Do you deny this?

Mr. BLOCK. I just don't understand it.

Mr. KENNEDY. Do you deny the record? Do you deny the fact that you made a 45-hour week, extended the contract for a 45-hour week until 1957 and made a provision that it would be kept secret? Do you deny that?

Mr. BLOCK. Mr. Kennedy——

Mr. KENNEDY. Do you deny it?

Mr. BLOCK. Mr. Kennedy, I am not in the position to make any agreements when we sit in an agreement with the company.

The CHAIRMAN. Let the record show that he does not deny it.

I am not going to ask him to answer it any more. I have given you every chance to answer it, and you sit there and fumble around. Go on to something else.

Mr. KENNEDY. Mr. Block, on the insurance——

Mr. BLOCK. Would you bear with me a minute?

The CHAIRMAN. I am not going to bear long. I will tell you now.

(The witness conferred with his counsel.)

The CHAIRMAN. If you want to change your testimony, do it hurriedly.

(The witness conferred with his counsel.)

The CHAIRMAN. All right, Mr. Counsel, let's proceed.

Mr. KENNEDY. Mr. Block——

The CHAIRMAN. Do you want to say something?

Mr. BLOCK. I would like to get that question again.

The CHAIRMAN. The question is: This man testified that he insisted on a letter from you extending the 45-hour week up to a period of 5 years, and he got the letter from you, and then you asked him to keep it secret. Now, did you do it? Is that true?

Mr. BLOCK. I don't recollect ever making any 45-hour a week secret, as we were talking about.

The CHAIRMAN. All right. Proceed, Mr. Kennedy.

Senator ERVIN. Mr. Chairman, I don't believe he has answered the question. He is trying to split some legal hairs as to the effect of the letter. He talks about what he thinks is the legal effect of the letter, but he refuses to answer whether or not he had anything to do with a letter of that character or secret agreement to that effect.

The CHAIRMAN. He leaves the record unanswered. Here is a man in sworn testimony making a statement, and all this witness can say

is that he does not recollect. The record stands that he does not repudiate it or refute it. Let the record stand. I have given him every chance in the world to answer it. Proceed with something else. Let's go on.

I even let him have a conference with his attorney and he came back and the next thing he said was that he did not recollect.

(The witness conferred with his counsel.)

The CHAIRMAN. All right. Ask the next question.

Mr. KENNEDY. Can we move along, Mr. Block?

Mr. BLOCK. Yes, sir.

Mr. KENNEDY. You had a provision in there initially with the A. & P. Co., that the union would handle the insurance, the placing of the insurance, is that right?

Mr. BLOCK. Yes, sir; we had that.

Mr. KENNEDY. And then you came back and changed that provision, is that right, and the A. & P. then continued their former plan?

Mr. BLOCK. Upon the wishes of the membership.

Mr. KENNEDY. Did you have any discussions with Mr. Sol Cilento and George Scalise regarding the placing of the insurance?

Mr. BLOCK. No, sir.

Mr. KENNEDY. Was the reason that you wanted to handle the insurance yourself so that you could place it with Mr. Sol Cilento or George Scalise? Was that the reason that you wanted to handle the insurance yourself?

(The witness conferred with his counsel.)

Mr. BLOCK. No, sir; that was no reason whatsoever, and I don't know anything about this—

Mr. KENNEDY. Do you know Sol Cilento?

Mr. BLOCK. I knew him.

Mr. KENNEDY. Did you meet with him in the Black Angus Restaurant in October of 1952?

Mr. BLOCK. I could not give you a date. I don't remember.

Mr. KENNEDY. Did you ever discuss with Mr. Cilento the A. & P. insurance, the insurance that might come from the employees of the A. & P. store?

Mr. BLOCK. Definitely, no, sir.

Mr. KENNEDY. Did you ever discuss insurance with him at all?

Mr. BLOCK. With Sol Cilento?

Mr. KENNEDY. Yes.

Mr. BLOCK. He was not an insurance man. He was a labor leader.

Mr. KENNEDY. Did you ever discuss that with him at all, the placing of the insurance?

Mr. BLOCK. No, sir.

Mr. KENNEDY. Do you know Mr. Saperstein?

Mr. BLOCK. I do.

Mr. KENNEDY. Did you ever discuss the insurance at all with Mr. Saperstein?

Mr. BLOCK. You are talking about the A. & P. insurance plan?

Mr. KENNEDY. Yes.

Mr. BLOCK. No, sir.

Mr. KENNEDY. Did you discuss any of the insurance plans with Mr. Saperstein in October 1952?

Mr. BLOCK. Generally speaking, I never discussed the insurance because I never handled it.

Mr. KENNEDY. Did you discuss any plan with Mr. Saperstein in 1952?

Mr. BLOCK. Are you talking about A. & P.?

Mr. KENNEDY. No; any. Gristedes or any of them?

Mr. BLOCK. I had nothing to do with Gristedes Co.

Mr. KENNEDY. Did you discuss it with Mr. Saperstein?

Mr. BLOCK. He once mentioned to me about insurance on the way to St. Louis. I met him on the airport, at the same plane, and he told me he was an insurance agent. I hardly knew him then. I told him that I don't bother with this stuff, and I have nothing to talk to him about.

Mr. KENNEDY. Did you discuss it in the Black Angus Restaurant with Mr. Saperstein? Did you have a meeting in the Black Angus Restaurant?

Mr. BLOCK. I had no reason to discuss.

Mr. KENNEDY. Just did you?

Mr. BLOCK. No, sir. Wait a minute. You asked me if I met him? I may have met him.

Mr. KENNEDY. Did you discuss the insurance with him in the Black Angus Restaurant?

Mr. BLOCK. I don't think so; no.

Mr. KENNEDY. Do you know Mr. Chappie Brescia?

Mr. BLOCK. I do.

Mr. KENNEDY. Was there a meeting set up by Mr. Chappie Brescia between you and Sol Cilento, in which George Scalise had an interest, in the Black Angus Restaurant in October 1952?

Mr. BLOCK. That is a long question. I don't understand it.

Mr. KENNEDY. Did Mr. Chappie Brescia set up a meeting for you to meet at Mr. Sol Cilento at the Black Angus Restaurant in October 1952?

Mr. BLOCK. It is unbeknown to me.

Mr. KENNEDY. It is what?

Mr. BLOCK. It is unbeknown to me.

Mr. KENNEDY. The answer is "No"?

Mr. BLOCK. I don't remember anything about that.

Mr. KENNEDY. Did you discuss the insurance with George Scalise?

You know, Mr. George Scalise and Mr. Cilento recently went to jail for the handling of some of these insurance funds, and it was based on the testimony of Mr. Saperstein. I am trying to find out if you had some discussions with Mr. Cilento and Mr. Scalise regarding the insurance handled or to be handled by the Amalgamated Meat Cutters.

Mr. BLOCK. I never discussed that part at all. If anyone mentioned it to me, a fellow like Saperstein, or anybody else, I know what I would have said to them.

Mr. KENNEDY. I know, I am sure.

Mr. BLOCK. Yes. The proof is this: I never did any business with them.

Mr. KENNEDY. Did you ever discuss it with them?

Mr. BLOCK. I wouldn't say I ever discussed it with them. However, as I said, Saperstein mentioned it to me on one occasion that I remember. He may have discussed it again, but I don't know.

Mr. KENNEDY. Then your answer to the question is you don't know?

Mr. BLOCK. No, sir. I did not discuss any insurance with these people, unless it was just asked of me and I would not pay any attention to them.

Mr. KENNEDY. Did Mr. Chappie Brescia set up a meeting for you to discuss this with these people?

Mr. BLOCK. I don't remember.

Mr. KENNEDY. What is the answer to the question, "I don't remember" or "No"?

Mr. BLOCK. I don't remember any meetings like that.

Mr. KENNEDY. The answer is "No"?

Mr. BLOCK. Definitely, I don't remember any meetings like that.

Mr. KENNEDY. Did you attend any meetings in the Black Angus Restaurant in connection with this?

Mr. BLOCK. I have been in the Black Angus Restaurant quite often.

Mr. KENNEDY. Did you attend any meetings in connection with insurance in the Black Angus Restaurant with Mr. Cilento?

Mr. BLOCK. I don't attend meetings, Mr. Kennedy, I go to eat there.

Mr. KENNEDY. Did you have any discussions with them, with Mr. Cilento?

Mr. BLOCK. It could have happened. The man could have asked me, and I could have answered them, my opinion of what I think of them, and that is about all. The proof of this is we never did any business with them.

Mr. KENNEDY. How long have you known Mr. Chappie Brescia?

Mr. BLOCK. Maybe about 10 or 12 years ago I met him, or so.

Mr. KENNEDY. Is he around the union headquarters quite a bit?

Mr. BLOCK. Not to my knowledge.

Mr. KENNEDY. Have you seen him in the union headquarters?

Mr. BLOCK. I don't recollect ever seeing him around. "Around" is a broad statement. It is a big city.

Mr. KENNEDY. I didn't say "around." You said "around." Have you ever seen him in the union headquarters?

Mr. BLOCK. I don't recollect ever seeing him there.

Mr. KENNEDY. Has he ever been in your office?

Mr. BLOCK. Mr. Kennedy, I wonder if you know the size of the office and the setup. I could sit in my office and there may be 500 people coming up and down, and I would not know about it.

Mr. KENNEDY. The information we have, Mr. Block, is that he is there continuously. Is that correct or not? Have you ever seen him in your office?

Mr. BLOCK. You have the wrong information, I am afraid.

Mr. KENNEDY. You answer the question. Have you ever seen him there?

Mr. BLOCK. I don't recollect ever seeing him there.

Mr. KENNEDY. You don't ever remember seeing him there; is that right?

Mr. BLOCK. I said I don't recollect those things.

Mr. KENNEDY. Does his brother work for the union?

Mr. BLOCK. He works for local 640.

Mr. KENNEDY. That is a local of which you are president?

Mr. BLOCK. Yes, sir. It is on the other end of the hall.

Mr. KENNEDY. What is his position?

Mr. BLOCK. Business representative.

Mr. KENNEDY. I am going to ask you about some more financial transactions and see if we can move along.

The CHAIRMAN. The Chair presents to you a photostatic copy of a check dated March 10, 1955, made payable to you in the amount of \$500 and drawn on the account of local 640. I will ask you to examine it and state if you identify the check.

(The document was handed to the witness.)

(The witness conferred with his counsel.)

Mr. BLOCK. The check is made out to me, indorsed by me.

Mr. KENNEDY. What was that money used for?

What was that money used for?

Mr. BLOCK. That is a broad question. What do you use money for? I don't know. I mean, generally speaking, I really don't know. Ask me the question, and I will answer you to the best of my ability.

The CHAIRMAN. All right. What was the money used for? That is the question.

Mr. BLOCK. Well, I use money every day in the week, sir, and so does everyone. I just don't know the question.

The CHAIRMAN. What was the check given to you for?

Mr. BLOCK. I presume it was due me or whatever else it was. There are very little checks made out to me in the union, as you know.

The CHAIRMAN. Very little checks made out to you in the union? Then if it is unusual that you get a check, you ought to have some idea what it is for.

Mr. BLOCK. The checks I get are either pay or some expense, which isn't much.

The CHAIRMAN. Would you say that is salary?

Mr. BLOCK. I couldn't say what it is, sir. It is 1955, and it is made out to Max Block. If you check the records in the organization, you would not find checks like this made out with the exception of pay.

Mr. KENNEDY. That check is charged to organizing expenses. I am trying to find out what organization work—

Mr. BLOCK. It could have been. I don't recollect. This is 1955.

Mr. KENNEDY. Then the check was indorsed over to the order of the National City Bank of New York, the Development Corporation for Israel. Ultimately, that check for \$500, which was charged to organizational expenses was used to buy \$500 worth of bonds from the State of Israel for Nathan Math's children. We can trace that through a member of the staff, an investigator of the committee. I would like to know what your comment is on it. This is Mr. Nathan Math, who is the attorney for the Food Fair Co., and this \$500 was used to buy his children some bonds from the State of Israel.

Mr. BLOCK. The only way this could have happened, Mr. Kennedy, is I should have no reason to give \$500 checks to lawyers that represent industry.

Mr. KENNEDY. He said that he paid \$500 in cash.

Mr. BLOCK. That is what I want to explain, Mr. Kennedy.

Mr. Kennedy, the only way it could have happened is when this check was made out I must have cashed it at that time in the office.

We had the Israeli bond drive, and Mr. Math may have brought in the \$500 or \$400, whatever the amount of money I don't know, to buy bonds for his children.

Mr. KENNEDY. Right.

Mr. BLOCK. And apparently, the way it seems to me, I cashed his check in the office with the secretary, and he used that money and he used the check for the bonds. That is the only way I can understand it.

Mr. KENNEDY. He gives you \$500 in cash. You get the \$500 in cash. That is money that is to be used to buy the Israeli bonds. Then you take a union check and pay for the bonds. You end up with \$500 and his children get the bonds and the union is out \$500.

Mr. BLOCK. Now, wait a minute. I don't think that is a fair statement, Mr. Kennedy.

Mr. KENNEDY. How else can you explain it, Mr. Block?

Mr. BLOCK. You see, when you confront a person with these things—of course, you got your investigators to bring you in certain reports, and you work accordingly. I appreciate your position.

Mr. KENNEDY. Thank you.

Mr. BLOCK. But you, as general counsel, and I know you have lots of experience, we don't make a habit in our organization to just make out checks or phony checks and cash and do things. We don't do it like that.

Mr. KENNEDY. You don't make a practice of it, Mr. Block?

Mr. BLOCK. We don't do that.

Mr. KENNEDY. Then explain this: You got \$500 in cash and the union was out \$500. Explain it to us.

Mr. BLOCK. There is a check made out in my name and I indorsed it.

Mr. KENNEDY. That check is charged to organizing.

Mr. BLOCK. Fine. It could have been.

Mr. KENNEDY. It couldn't have been.

Mr. BLOCK. I see where the State of Israel is scratched off. Am I right?

Mr. KENNEDY. Right.

Mr. BLOCK. So there is something else I don't understand, of course. Now, there may have been a transaction of the cash that Mr. Math brought to the office, don't you see, to buy bonds for his children. What reason would I or the union have to buy bonds for a lawyer that represents industry?

I don't understand it. I heard of things that happened in reverse where the labor leaders got paid off, but I have not heard of anything like this. That is why I am bothered about it.

Mr. KENNEDY. This is the transaction. Mr. Nathan Math puts up \$500 in cash. The \$500 is in cash. Then he expects to get \$500 worth of Israel bonds. He puts up the \$500 in cash. The cash is turned over to you. The check that is used to buy the bonds is a check of the union, and that check is charged to organizing expenses. We follow and trace that check through and find that that is the check that is used to buy the bonds for Mr. Nathan Math's children. Somebody took off with \$500.

Mr. BLOCK. Nobody did, sir.

Mr. KENNEDY. Where is the \$500?

Mr. BLOCK. Whatever the record shows——

Mr. KENNEDY. The record traces it to you. That is why I am asking you the question.

Mr. BLOCK. And if it traces to me, I could swear on a bible that it was legitimate, and I used it for the purposes that it was intended.

Mr. KENNEDY. Where?

Mr. BLOCK. I don't know. It is in 1955. It is put to me. I mean, it is not fair, Mr. Kennedy. It is a small issue for our type of organization, and I am not hungry for a dollar, or \$5. I would not do that. I would not lower myself to do anything like this. That is why I am surprised with you confronting me with stuff like this.

Mr. KENNEDY. It is just petty?

Mr. BLOCK. It is not in my class, what you would say.

Mr. KENNEDY. If you were going to take money, you would not take just \$500, right? Is that what you mean?

Mr. BLOCK. I never was so money hungry that I would do anything like that. I would rather spend out of my pocket than take an extra dollar from the union.

Mr. KENNEDY. Mr. Block, all I am asking you to do is explain the \$500 transaction. The union is out \$500.

Mr. BLOCK. Mr. Kennedy, I appreciate your efforts, but you must appreciate my position. You know I just can't give you an answer on something like this that I don't recollect in 1955, a transaction like this.

Mr. KENNEDY. This is pretty important. You are president of the union. Somebody has taken off with \$500. It appears to be you. I am trying to get an explanation of it.

Mr. BLOCK. You know I wouldn't do that.

Mr. KENNEDY. Frankly, Mr. Block, I don't know that.

Mr. BLOCK. I am sure you understand now from the records that I wouldn't know that.

Mr. KENNEDY. No; I can't agree with you.

Mr. BLOCK. Well——

Mr. KENNEDY. That is what I am trying to find out about this, Mr. Block. It is charged to organizing expenses.

Mr. BLOCK. It is pretty hard for me. You realize, you checked the records since 1950, and just for the 7 or 8 years——

Mr. KENNEDY. We can't. You destroyed them.

Mr. BLOCK. You will get to that, too. You will find out that. I am very much in favor of enlightening you on everything to the best of our ability, and I know what you want to know and you will know it.

Mr. KENNEDY. Then just enlighten me on this and what happened to the \$500.

Mr. BLOCK. I presume it was spent legitimately. Otherwise it would not be there.

Mr. KENNEDY. All right. Can I just ask Mr. Kopecky to put into the record the documents that we have on the \$500?

The CHAIRMAN. All right.

TESTIMONY OF GEORGE KOPECKY—Resumed

Mr. KOPECKY. The first document is a check dated March 10, 1955, local 640, payable to Max Block in the amount of \$500.

This check is endorsed by "Max Block," and then by the "American Financial & Development Corporation of Israel, Bond Exchange Account." There is a notation "Check 22909." And then, check No. 22909 of the American Financial & Development Corporation for Israel, payable in the amount of \$500, to the State of Israel, for the purchase of \$500 in bonds for the children of Mr. Nathan Math.

Mr. KENNEDY. Then Mr. Math has furnished an affidavit that he paid for the bonds in cash; is that right?

Mr. KOPECKY. That is correct.

TESTIMONY OF MAX BLOCK—Resumed

Mr. KENNEDY. During the period 1955 and 1956, Mr. Block, there were expenses to you for that 2-year period of \$26,705. That is above and beyond the salary. There are no records at the union supporting that.

According to the records we have here, it was not reported to the Labor Department on the records that we have examined there, which are supposed to list expenses. Can you tell us anything about that money? According to Mr. Beatson, who stated that he was with you continuously for a long period of time, you were out at the racetrack all the time spending large sums of money. This is \$26,000, or more than \$26,000, in expenses during this 2-year period.

Can you tell us how that was used? There are no vouchers in the union.

Mr. BLOCK. I don't know how you got those figures. That is why I couldn't answer. I get a certain amount of money with expenses on a check, and I don't know about any other way how you got it figured. That is why.

Mr. KENNEDY. This is the expenses during the period of time in which there are no vouchers. I expect if I show you these checks you are going to give the same answer that you did on the \$500, that it is small amounts and therefore you have no explanation.

Mr. BLOCK. You give a figure of \$26,000 for 2 years.

Mr. KENNEDY. I thought that was more to your liking. You didn't like it when I brought up just the \$500.

Now I am trying—

Mr. BLOCK. When you put it together it sounds bigger. However, it isn't bigger.

Mr. KENNEDY. During the period 1955-57, there are \$86,507.02 checks drawn to cash for which there is also no explanation. We are getting higher.

Mr. BLOCK. It sounds pretty big, but if you check the records of our organizational problems we have been through in the last 4 or 5 years or 6 years, we had tremendous expenditures. You can't attribute that to me. I mean, I just receive salary and expenses, fixed, and very seldom additional.

Mr. KENNEDY. I am trying to get the facts from you, Mr. Block.

Mr. BLOCK. It is a big organization.

Mr. KENNEDY. We examined the books and records of the organization, and there are no vouchers whatsoever. If there were vouchers of any kind on this, we could discuss it. But there are no vouchers, but just the checks, and checks drawn to cash: \$86,507.02, and your

expenses above and beyond that were \$26,705, for which there are no vouchers.

There is no way we can trace as to how the money was used.

There are no records of any kind and that is in the period of time when you were preserving the records.

Mr. BLOCK. We may be able to clear it up this afternoon. I have some minutes on that to show, to look over and find out what the problem seems to be there about records.

The CHAIRMAN. The Chair will make the check dated March 10, 1955, about which the witness has testified exhibit No. 35.

(The document referred to was marked "Exhibit No. 35" for reference and will be found in the appendix on p. 11781.)

The CHAIRMAN. The check of March 14, 1955, about which the witness has testified, will be exhibit 36.

(The document referred to was marked "Exhibit No. 36" for reference and will be found in the appendix on p. 11782.)

The CHAIRMAN. Has this affidavit been read into the record?

Mr. KENNEDY. No.

The CHAIRMAN. The affidavit of Mr. Nathan W. Math which has been referred to may be printed in the record at this point.

(The document referred to follows:)

STATE OF NEW YORK,

City of New York,

County of New York, ss:

Nathan W. Math, being duly sworn, deposes and says:

That I reside at 566 New Jersey Avenue, Borough of Brooklyn, city and State of New York.

That I am submitting this affidavit voluntarily to George Kopecky, who is known to me to be a member of the staff of the United States Senate Select Committee in the Labor and Management Field.

That this information may be used at a hearing.

That on or about March 10, 1955, I purchased State of Israel bonds in the total sum of \$500 for my children; James A. Math in the amount of \$400 and for Ellen Betty Math in the amount of \$100. That I cashed my personal check for the sum of \$500 and turned over to a representative of the State of Israel bonds at my office the aforesaid sum together with the subscription blanks which were in my handwriting; that subsequently, the aforesaid bonds were received in the mail. My children still own the same bonds.

That at no time did anybody or any organization advance to me or lend me any part of the aforesaid monies or purchase said bonds for my children.

Your deponent recently learned that a number of the subscription blanks and monies were taken by representatives of the State of Israel Bond Organization to the offices of the Butchers Union who were acting as sponsors of the drive for the sale of State of Israel bonds.

NATHAN W. MATH.

Sworn to before me this 23d day of May 1958.

HARVEY GAINSBURG,

Notary Public, State of New York.

Commission expires March 30, 1960.

Mr. KENNEDY. Mr. Chairman, I would just like to ask, so that we have it under oath, what the situation is in the union, to ask Mr. Kopecky what the records show for the expenses and gifts to Max Block for the 2-year period 1955 and 1956, above and beyond salary.

Mr. KOPECKY. Above and beyond salary, the union records reflect that Mr. Block was paid a total of \$26,705 during this period from locals 342 and 640 above and beyond salary.

Mr. KENNEDY. What about the checks drawn to cash?

Mr. KOPECKY. The records have been destroyed for all of this period of time. It is indicated that a total of \$86,507.02 in checks drawn to cash have been prepared, for which there are no records to substantiate these disbursements.

Mr. KENNEDY. Above that, here are some specifics of some matters I want to discuss with you. Your trips to Miami Beach, Fla., for instance. You have been down there a number of times, Mr. Block?

Mr. BLOCK. Ask me specific dates and maybe I can give them to you.

Mr. KENNEDY. The first trip is February 19 to March 7, 1954.

Mr. BLOCK. Well, what about that?

Mr. KENNEDY. What was your reason?

Mr. BLOCK. I could have been there.

Mr. KENNEDY. What were you doing down there at that time?

Mr. BLOCK. At that time?

Mr. KENNEDY. Yes.

Mr. BLOCK. Our executive board, or part of the executive board, were invited over to attend some meetings.

Mr. KENNEDY. As I understand it, there was a convention, an international convention in Miami, and you received \$500 from them to go to the international convention. How long did that take? How long were you down there on the international convention?

Mr. BLOCK. I couldn't give you the dates, because I don't remember so well. I was there quite a while. We were pretty busy in organizational work.

Mr. KENNEDY. Mrs. Block went with you?

Mr. BLOCK. Yes, sir.

Mr. KENNEDY. And her expenses were paid by the union?

Mr. BLOCK. I wouldn't say it was paid by the union, because I remember that she has issued a check—part could have been paid for her, too, but I remember she issued a check to pay one of the bills. If she didn't do it on that date, she did it a week later.

Mr. KENNEDY. Well, it doesn't show up. I don't know where the union records show it.

Mr. BLOCK. Our records, the wife's records, would show in the check account—we did that always, in spite of the fact that according to our usual custom when we go for any kind of conventions we can take our wives and the union pays the expenses. If a member, a rank and file member goes, he can take his wife, too. I can't see anything unusual there.

However, there was always a check issued by my wife from her personal checking account to pay toward a bill or expenses.

Mr. KENNEDY. Was that ever approved by the members of the union, that you could take your wife down there? That trip cost \$1,723.01.

Mr. BLOCK. Pretty reasonable.

Mr. KENNEDY. Did you have any union business down there?

Mr. BLOCK. I did a lot of work over there for the organization, the locals in the area and also upon request of our international. We have had lots of work out there and we did organizational work, plus some meetings, and so on and so forth.

Mr. KENNEDY. The Solarium?

Mr. BLOCK. That is not bad.

Mr. KENNEDY. What?

Mr. BLOCK. It could be.

Mr. KENNEDY. It is all charged to the union. Mrs. Block's hotel room charged to the union. January 28 to February 13, 1955, for you and Mrs. Block to Miami Beach, Fla., for a total cost of \$2,538.86. I am sorry; \$2,813.23, or \$165 a day. What were you doing down there that time?

Mr. BLOCK. What year?

Mr. KENNEDY. This is January 28, 1955, to February 13, 1955.

Mr. BLOCK. We were on the same business. We had meetings, had many meetings that we have had there. We have entertainment, and we go out for dinner, and we have to pay the bills, or we eat in the hotel and charge it to the hotel.

Mr. KENNEDY. Then in the same year, March 27 to March 30, 1955.

Mr. BLOCK. That is 3 days?

Mr. KENNEDY. Three days.

Mr. BLOCK. I didn't go there for pleasure for 3 days, sir. I went to do some work on a mission for the organization.

Mr. KENNEDY. Well, that was only \$363.89. January 26—this gets up more to the present time.

January 26, 1956. Did you go to Miami that time?

Mr. BLOCK. In 1956, sir?

Mr. KENNEDY. Yes; for 3 weeks.

Mr. BLOCK. Yes, sir.

Mr. KENNEDY. Mrs. Block went with you?

Mr. BLOCK. Yes; I suppose so.

Mr. KENNEDY. Was it ever approved by the membership?

Mr. BLOCK. In most cases, I mean, that is the way it is. We take it up in our executive board, and it is usually read to meetings, because the minutes are always read to meetings. So I would take it for granted that is the way it would be. I don't think the membership would object to me taking my wife if I am going to Florida once a year. It is my only vacation actually. But we also do a little work there.

Mr. KENNEDY. That cost the union \$4,402.52.

Mr. BLOCK. For what period?

Mr. KENNEDY. For that 3-week trip for you and Mrs. Block, January 26, 1956, to February 20, 1956.

Mr. BLOCK. If the records show, I guess it is so.

Mr. KENNEDY. You got \$2,607 from the international as advances to go, and another \$1,007 from local 342, and then above and beyond that your hotel rooms, pool, the solarium, the masseur-oil boy and the cabana were all charged to the union. Do you have any comment on that? That is on those 4 trips to Florida, above and beyond the other expenses you had, they amounted to \$9,372.65, the trips to Florida.

Mr. BLOCK. In most cases this was business trips. In all the cases. I may have had a little pleasure with it for a few days.

Mr. KENNEDY. You must have had a good deal of pleasure on that last one.

Mr. BLOCK. Very little.

Mr. KENNEDY. How could you spend so much money?

Mr. BLOCK. You don't have pleasure with money. You can have pleasure without money.

Mr. KENNEDY. You are one that has pleasure with money.

Mr. BLOCK. No; I have more pleasure when I don't spend money.

Mr. KENNEDY. You were able to fight it off this time and have pleasure anyway, because you spent over \$4,000; it is around \$165 a day.

Mr. BLOCK. I must have been—you know.

Mr. KENNEDY. Beyond that, Mr. Block, there is \$6,491.35 which is charged to disbursements for flower bills, photographs, cigars, and telephone calls from your home, all charged to the union.

Mr. BLOCK. I don't understand that.

Mr. KENNEDY. I will give you some examples: \$180.81 charged to local 342 for cigars; \$81.37 for photographs; \$160.11 for lingerie; \$180—

Senator ERVIN. Maybe that is a union suit.

Mr. BLOCK. I will explain that.

Mr. KENNEDY. And flowers are \$5,048.10, flowers.

Mr. BLOCK. Do you want me to explain it? I would like to if given permission.

Mr. KENNEDY. I am bringing out all of these things so you can explain them.

Mr. BLOCK. Please, Mr. Kennedy, I would appreciate it very much if you would allow me.

The CHAIRMAN. Go ahead.

Mr. BLOCK. The way you read it off here, of course, is as you have it; I appreciate that. But it does not sound right. When you talk about cigars and lingerie; lingerie, I will tell you what it was, if you look up the dates. It is at Christmas time when we have all the girls in the office getting gifts. We buy them one year lingerie, another time maybe a bag, another time stockings, and down the line.

That is where the lingerie comes in. I guarantee it was not bought for my family. It was strictly for the office and office girls. You talked about flowers. What could I do as an individual with that amount of flowers? It is worked through the office, and it is sent out to different members or employers that may have an occasion, either a birth, death, or something, and that is where we send them.

That sounds big, but you must realize the size of the organization, but we have a lot of people we are dealing with, and we have a lot of organizational friends. And the cigars I will answer too. This year, apparently, they bought for me cigars for the year for Christmas. I didn't know anything about that. They are drying up in the office anyhow. I don't have too much time to read them—to smoke them.

However, that is the way it is. It doesn't sound right when it is read off on the record about lingerie and all of that, but this is all explainable because it is so.

Mr. KENNEDY. I think certainly on the lingerie, and the bill shows it is paid January 26, 1957, or at least one of them, and it would indicate that it came right after Christmas.

Mr. BLOCK. Well, it is. I am sure that is 100 percent.

Mr. KENNEDY. I'm sure it is 100 percent, as you say. I think that is quite a considerable amount for flowers.

Mr. BLOCK. Well, I can't help it. There are a lot of functions in our organization. People have given birth, and some passed away, and down the line. You just can't help yourself. You can't send one member something and don't send another.

Mr. KENNEDY. Then, of course, Max Block and Louis Block, they feature very prominently and their families in those who got flowers. They are here quite often.

Mr. BLOCK. I guess I had two grandchildren. They got some flowers, too. My daughter would, I imagine. I mean, those are part of organizational expenditures that you can't help.

Mr. KENNEDY. Organizational expenses?

Mr. BLOCK. I would call that. Goodwill between people that you are dealing with. We have very good relationships with the employers and the union members.

Mr. KENNEDY. As I say, there is an awful lot to you and for your daughter's wedding and that kind of thing. There is \$120 here on your daughter's wedding.

Mr. BLOCK. Well, if the officials of the union decided or the board or whatever it is, to buy some kind of a flower to my daughter's wedding, I don't see any crime in that.

Mr. KENNEDY. I thought you would want to make a comment on it.

Mr. BLOCK. Thank you.

Mr. KENNEDY. Then on the election expense, Mr. Block, for instance on the election in 1956, poll watchers—were these poll watchers working for you?

Mr. BLOCK. I did not conduct the election, sir. It was done by the Honest Ballot Association.

Mr. KENNEDY. But you had poll watchers out there, did you not?

Mr. BLOCK. The union had a position—

Mr. KENNEDY. But you had poll watchers yourself?

Mr. BLOCK. Personally? What did I need them.

Mr. KENNEDY. Well, the group that was running with you in the election had them out there.

Mr. BLOCK. The ones that were nominated were running. Then there are rules of the Honest Ballot Association, on how it is to be conducted. We follow the rules.

Mr. KENNEDY. The election expenses amounted to \$25,842.20, and I think a lot of that was very legitimate. You had to rent the hall, hire the Honest Ballot—

Mr. BLOCK. A lot of halls.

Mr. KENNEDY. I am saying that these would appear to be legitimate, the payment you have to make to the Honest Ballot Association. Then you had a party afterwards, amounting to about \$8,000, where every member of the union was invited, as I understand. Isn't that right? Well, a lot of those expenses would appear at least to be legitimate expenses. But I am breaking that figure down of \$25,000, and there is \$3,300 of that which was for your own poll watchers.

I question whether that was a legitimate expense to be borne by the union.

Mr. BLOCK. I don't know whether you know how it happened. We are spread out in Greater New York, and to Staten Island, Suffolk County, Nassau, Queens, all over, and there was a number of polling places for 3 days. It was not 1 day, a fast deal.

It took 3 days in all these polling places.

Mr. KENNEDY. Your poll watchers were paid by the union. That is the questionable expense.

Mr. BLOCK. Well, I don't know.

Mr. KENNEDY. Then, as I say, you had a party afterward, did you, for the members of the union?

Mr. BLOCK. Does the state—

Mr. KENNEDY. It says food and refreshments, installation of officers, \$8,537.45.

Mr. BLOCK. That was—what was the place? What place was it?

Mr. KENNEDY. Levittown.

Mr. BLOCK. No; there was another one in New York. That new, big place. The Columbus Circle or what do you call it?

Mr. KOPECKY. The Coliseum.

Mr. KENNEDY. And entertainment was \$1,600.

Mr. BLOCK. I would rather feed the people and let them enjoy themselves. They are all members of the union.

Mr. KENNEDY. Mr. Block, I am trying to move along. Can we go to another item, a testimonial dinner that was held for Mr. Gorman. Are you familiar with that, in 1955?

Mr. BLOCK. Yes, sir.

Mr. KENNEDY. How much money was collected in that testimonial dinner?

Mr. BLOCK. I couldn't give you the exact figure. I know your people have that figure. We furnished them with the information that they desired.

Mr. KENNEDY. According to our records, again, there was some \$55,000.

Mr. BLOCK. If the records show it, it is so.

Mr. KENNEDY. What happened to that money?

Mr. BLOCK. What happened to the money that was left I will explain to you. The rest of the money was spent for the testimonial dinner.

Mr. KENNEDY. Did you send money to charity?

Mr. BLOCK. Yes.

Mr. KENNEDY. You sent some money to the charities?

Mr. BLOCK. A number of charities.

Mr. KENNEDY. A number of charities?

Mr. BLOCK. Yes.

Mr. KENNEDY. Then you had how much left?

Mr. BLOCK. I think, and I couldn't be exact on a few dollars, about \$25,000 was left.

Mr. KENNEDY. What did you do with that money?

Mr. BLOCK. \$5,000 went to secretary-treasurer of 342.

Mr. KENNEDY. Who was that?

Mr. BLOCK. William Casale.

Mr. KENNEDY. Mr. Casale received \$5,000?

Mr. BLOCK. Yes, sir.

Mr. KENNEDY. Why did you give him \$5,000?

Mr. BLOCK. Well, what else are we going to do with the money?

Mr. KENNEDY. O. K.

Mr. BLOCK. I mean I really would like your opinion, if you have one.

Mr. KENNEDY. Who else received money?

Mr. BLOCK. Mr. Harold Lippel got \$5,000.

Mr. KENNEDY. Why did you give that money to him? The same reason?

Mr. BLOCK. For both of them worked day and night to put the thing over for the benefit of the guest of honor.

Mr. KENNEDY. They were working for the union at that time?

Mr. BLOCK. They are always working for the union.

Mr. KENNEDY. They were employees of the union?

Mr. BLOCK. Yes, sir.

Mr. KENNEDY. They were receiving their regular salary and expenses?

Mr. BLOCK. Yes, sir. This was not salary, this was——

Mr. KENNEDY. A little extra.

Mr. BLOCK. I think they were entitled to it.

Mr. KENNEDY. That is \$10,000.

Mr. BLOCK. Yes, sir.

Mr. KENNEDY. What happened to the other \$15,000?

Mr. BLOCK. \$15,000? We bought \$15,000 worth of Government bonds, United States Government bonds, and we sent them as a gift to the guest of honor.

Mr. KENNEDY. Mr. Gorman?

Mr. BLOCK. Pat Gorman. At a future date we received the bonds back with a letter stating that he thanked us very much, he appreciated it; however, he thought we should find a better charity to give it to. This was the essence of the letter.

Mr. KENNEDY. What charity did you give it to then?

Mr. BLOCK. The bonds are still there.

Mr. KENNEDY. What charity did you give the bonds to?

Mr. BLOCK. It is still in the safe of the union.

Mr. KENNEDY. You kept the bonds?

Mr. BLOCK. What do you mean I kept? It is in the safe of the union in the name of Mr. Gorman until it is transferred. Mr. Lloyd, one of your associates or assistants was up to the office only a week ago, and he got the numbers of all of the bonds. It is there to be given to some charity.

Mr. KENNEDY. Why hasn't that been given to a charity prior to this time?

Mr. BLOCK. It is still there. We just didn't know what to do.

Mr. KENNEDY. Nobody knew it was there until our investigation started. It doesn't appear in your books and records.

Mr. BLOCK. Excuse me. We told it to your people at the outset when they asked us what happened.

Mr. KENNEDY. That is right. We were interested, but nobody else would even know it was there.

Mr. BLOCK. Well, we knew.

Mr. KENNEDY. There are no books and records on it. There is no way that the membership would know that there was \$15,000 in there. If Mr. Gorman returned the bonds, I don't know why you didn't dispose of the bonds and give them to a charity.

Mr. BLOCK. Mr. Kennedy——

Mr. KENNEDY. Yes, Mr. Block.

Mr. BLOCK. We didn't need any records. The bonds are records in themselves and the bonds are there, and we can't just take the bonds and use them for our own purpose. Mr. Gorman's name is on it, and I am sure Mr. Gorman wouldn't allow us, if we would ever think of doing anything wrong with it.

As you well know, Mr. Gorman is an honorable person.

Mr. KENNEDY. I have a few more items, Mr. Chairman, but they are an accumulation.

The CHAIRMAN. You may proceed.

Mr. KENNEDY. There were some bonds purchased, were there, for several of the officers out of the union funds, in 1955, \$1,537.50 worth of bonds?

Mr. BLOCK. I don't understand that.

Mr. KENNEDY. According to our information, Mr. Louis Block received a \$750 bond.

Mr. BLOCK. For what?

Mr. KENNEDY. That is what I am trying to ask you.

Mr. BLOCK. I don't know about that.

Mr. KENNEDY. It was paid out of union funds. I will try to get you the exact date. It was 1955, purchased by local 640, a \$1,000 bond.

Mr. BLOCK. I beg your pardon.

Mr. KENNEDY. It was a \$1,000 bond purchased for \$750, and it was purchased for Louis Block, who was not, of course, with the union at that time, in 1955.

Mr. BLOCK. I will have to check on that, because we just don't make a habit of doing it like that. I will have to check the records to find out exactly.

Mr. KENNEDY. There is \$1,537.50 worth of bonds for a group of business agents, including Louis Block, who received the largest one, \$750.

Mr. BLOCK. What date, sir?

Mr. KENNEDY. 1955.

Mr. BLOCK. I mean the month.

Mr. KENNEDY. The total amount was \$1,537.50. Louis Block received one worth \$750, on the face value.

Mr. BLOCK. Was it around Christmas time? Are you talking about officials?

That was not officials; they must have been rank and file board members.

Mr. KENNEDY. Rank and file?

Mr. BLOCK. I imagine, because we just don't do these things unless there is a reason.

Mr. KENNEDY. It was February 14, 1955.

Mr. BLOCK. February 14, 1955?

Mr. KENNEDY. Yes.

Mr. BLOCK. Thank you.

Mr. KENNEDY. So it would not appear to have anything to do with Christmas?

Mr. BLOCK. It could.

Mr. KENNEDY. Well, it was a little late for Christmas. Mr. Lippel is a secretary-treasurer of one of the locals?

Mr. BLOCK. 640.

Mr. KENNEDY. He also writes insurance?

Mr. BLOCK. I couldn't tell you if he still has a license. I know he is too busy in the office. I don't know what else he does.

Mr. KENNEDY. On that special pension that was arranged for you, your brother, Casale, and Lippel, did he write some of the insurance on that and get a commission?

Mr. BLOCK. I think he did 1 or 2. I am not sure.

Mr. KENNEDY. That was the pension that has, so far, cost the union \$95,647.40, and your secretary-treasurer of the local wrote the insurance for Mr. Max Block and Casale; isn't that right?

He received the brokerage?

Mr. BLOCK. It could be.

Mr. KENNEDY. What?

Mr. BLOCK. It could be. I am not much familiar with it.

Mr. KENNEDY. He made \$3,944.59 from that arrangement so far. That was never approved by the membership, Mr. Block?

Mr. BLOCK. It was so.

Mr. KENNEDY. According to the testimony before the committee it was never approved.

Mr. BLOCK. I don't know what testimony you received here.

Mr. KENNEDY. Was it approved by the membership?

Mr. BLOCK. They approve everything by the membership, sir.

Mr. KENNEDY. Was this submitted to the membership for approval?

Mr. BLOCK. Do you mean the pension policies?

Mr. KENNEDY. Yes.

Mr. BLOCK. Yes, sir.

Mr. KENNEDY. When was it submitted to the membership for approval?

Mr. BLOCK. Right after the executive board, following the meetings.

Mr. KENNEDY. Were you present at the time?

Mr. BLOCK. I must have been present to some of the meetings.

Mr. KENNEDY. Were you present at the time it was submitted to the membership for approval.

Mr. BLOCK. We have a record there that we approved it.

Mr. KENNEDY. I know you have a record that shows, but according to the testimony before the committee, that item in the record was skipped over. Now I am trying to find out from you whether it was in fact approved.

Mr. BLOCK. I am sure it was approved.

Mr. KENNEDY. Were you present when it was approved?

Mr. BLOCK. In most cases—we had more than one meeting. I want you to understand, Mr. Kennedy.

Mr. KENNEDY. Were you present at any time when it was actually approved by the membership?

Mr. BLOCK. I am pretty sure I was.

Mr. KENNEDY. Do you know that you were?

Mr. BLOCK. I attend quite a few meetings.

Mr. KENNEDY. I know you attend quite a few meetings, Mr. Block. I didn't ask you that. I asked you if you were present when this special pension was approved for you.

Mr. BLOCK. I am trying to recollect which meeting I attended.

You see——

Mr. KENNEDY. It wouldn't matter which meeting. Did you ever attend a meeting at which the membership approved the pension?

Mr. BLOCK. Yes, sir.

Mr. KENNEDY. When was it?

Mr. BLOCK. I don't recollect, because there were a lot of meetings. That is what I am trying to explain, the geographical setup. You see, we have maybe 12 meetings in rotation, like Monday, Tuesday,

and Wednesday of every week, and we make sure that all of the members or most of the members attend a meeting. We don't hold it in one little place and a small percentage of the membership attends and the balance don't know what is going on.

Mr. KENNEDY. You have a special insurance policy, don't you, the officers of the union?

Mr. BLOCK. I don't understand the question. I don't understand the whole procedure there on the policy.

Mr. KENNEDY. You have a \$10,000 policy while the rank and file have \$2,000 policies, and that has cost the local 640 \$4,223.14.

Mr. BLOCK. How many years?

Mr. KENNEDY. In the last 10 years.

Mr. BLOCK. I knew it was very cheap. That is why I could not understand why the thousands were in there.

Mr. KENNEDY. But you knew, then, that you had a different one than the rank-and-file members?

Mr. BLOCK. I did.

Mr. KENNEDY. Mr. Chairman, we have added up Mr. Block's statements of "I don't recall," or "recollect" or "remember," which totaled 111 times and he equivocated in his answers 88 times.

The CHAIRMAN. The record will so reflect whatever the total is.

The counsel for the A. & P. stores requested that this question be directed to you. Do you know of any other labor-management contract in the New York retail food business from 1952 to 1957 that could match the A. & P. contract in advantages for butchers and clerks?

Mr. BLOCK. In my opinion, this is the best in the country.

The CHAIRMAN. Your opinion is it is the best.

Mr. BLOCK. And to my knowledge it is surely the best in the eastern area.

The CHAIRMAN. The Chair has prepared a statement. I have to catch a plane in a minute.

I will not read all of it into the record, but it concludes with this statement:

The committee's course of action seems clear.

Without objection the Chair directs that the official transcript of these proceedings be forwarded to the Treasury Department and the Department of Justice and to the district attorney of New York County for appropriate action.

I am having the statement checked that I am preparing for the record, for accuracy with respect to some of the figures here. It may be released to the press as soon as the check has been made.

The statement will be inserted in the record at this point. Anyone else interested in a copy of the statement may procure same.

(The document referred to follows:)

Now that the testimony with respect to these two New York locals of the Amalgamated Meat Cutters has been spread on the record before this committee, the Chair cannot refrain from observing that once more we have exposed the unconscionable exploitation of rank-and-file union members for the personal aggrandizement of a favored few.

There was undeniable evidence in the early stages of this series of hearings that more than 10,000 A. & P. grocery clerks were dragooned into the Meat Cutters Union in violation of their right to be represented by a union of their own choice as provided by the National Labor Relations Act.

This was accomplished in a deal marked by secret arrangements and secret guaranties.

The testimony this week establishes gross misuse of union funds. There has been unfolded here a long chain of bizarre financial manipulations for which responsible officers of the union have offered no plausible or even reasonably understandable explanation.

In a 3-year period, members of the Block family drew more than \$241,000 in salaries and expenses. In this same period of time, there was another \$293,000 in questionable items of which \$119,000 is directly chargeable to Max Block and members of his family.

The committee has also been told about secret bank accounts that are not reflected in the regular books and records, and diversion of money from these accounts.

There is evidence of a \$5,000 "kickback" to Louis Block in the placement of welfare fund insurance and the expenditure of \$95,000 of dues money for the two Blocks, their brother-in-law Harold Lippel, and William Casale, which was concealed from the membership.

We have received testimony that more than \$85,000 was withdrawn through checks drawn to "cash" for which there are no supporting documents.

Vital records have been destroyed. Another \$70,000 was channeled into a first mortgage on the printing plant of a friend, Max Raddock.

Souvenir journals yielded thousands of dollars, none of which went into the union treasury, but Lippel and Casale helped themselves to \$5,000 each in one case. Dissipation of union funds for the purchase of automobiles has been nothing short of scandalous.

There is evidence of a long series of collusive arrangements with employers. The committee has been told how Food Fair received favored treatment from Max Block in exchange for preferential rights to acquire stock and debenture bonds in Food Fair properties.

There has been testimony that concerns like the Breslau Packing & Unloading Co. and Daitch-Crystal Dairies, Inc., were exempted from payments into the union's pension fund on behalf of their employees. These arrangements coincide with investments made in the real estate corporation-country club venture owned principally by the Block brothers.

There is evidence that Louis Block pressured the Connecticut General Life Insurance Co. into a \$350,000 first mortgage on the country club property because of the welfare and pension fund insurance placed with that company.

Even the international union was prevailed upon by Max Block to invest \$25,000 in the bonds of the country club.

The conclusion seems inescapable that Max Block and his family treated these two unions as their own private property, and thousands of dues-paying members were made to suffer accordingly.

They engaged in empire building in the most evil connotation of that term. In this case are the same overtones of denial of democratic process, the seizure and consolidation of power and the concentrated drive for perpetuation in office which the committee has encountered in other cases.

Nor should it be overlooked that Max Block used his position to solicit business for his son-in-law from employers with which his two unions had contracts.

The testimony here is that he approached the labor relations representatives of the larger chain organizations—A. & P., Bohack, Grand Union, etc.—and in one case alone, that of Food Fair stores, his overtures on behalf of Zeitler brought orders for more than \$500,000 worth of business.

In conclusion, the Chair would like to express appreciation for the testimony of the cooperative witnesses affiliated with the Amalgamated Meat Cutters who came forward to help this committee. They deserve the commendation we are glad to bestow.

The committee's course of action is clear. Without objection, the Chair directs that the official transcripts of these proceedings be forwarded to the Treasury Department and the Department of Justice and to the district attorney of New York County for appropriate action.

Here are a number of the staff that have worked on this case, and we wish to extend to them our thanks. They worked under the direction of Mr. Kennedy, who has always done an excellent job in presenting these investigations.

They are Mr. Lloyd, Mr. DiSalvo, Mr. Alexander, Mr. Runge, Mr. Mayor, Mr. Flynn, Mr. Kopecky, Mr. Martin, Mr. May, and Mr. Cheasty. All of these have participated in the investigation that has been brought to a public hearing here in the last several days or series of hearings.

Again I wish the public to understand the amount of work that goes into these investigations before the testimony is ever revealed. It may take 2 or 3 weeks here to place all this evidence on the record, but back of the 2 or 3 weeks there are many, many thousands of man-hours work that go into an investigation.

You get these leads and you have to trace them down. It is through that process that we come up with information here that sometimes amounts to startling disclosures. It is hard work done by the staff. These hearings are rather exacting upon the Senators in connection with their other duties, and the time they have to give to them. But we are hopeful and we believe that these hearings are proving fruitful and that some good will result from it.

The CHAIRMAN. Is there anything further?

We think now the committee will resume public hearings next Wednesday. I will be out of the city but in the meantime I will instruct the chief counsel to prepare a press release so that you may have some advance information about it.

If there is nothing further, the committee stands in recess, subject to the call of the Chair.

(Whereupon, at 12:10 p. m., the hearing was recessed, to reconvene subject to the call of the Chair. At the recess, the following members were present: Senators McClellan and Ervin.)

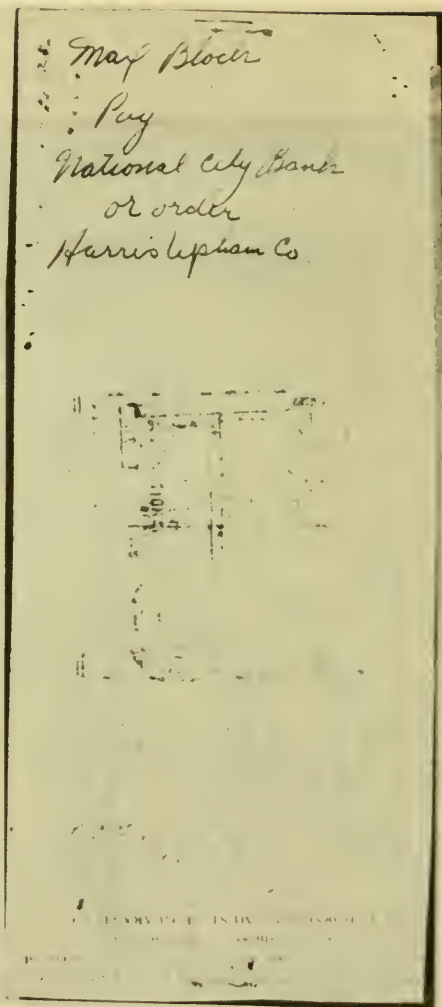
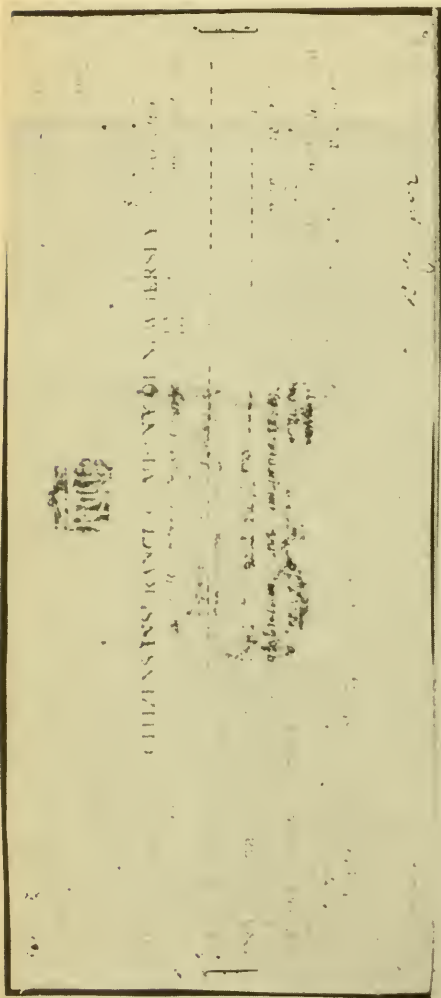
EXHIBIT No. 16

Return to death

The

cle

EXHIBIT No. 18



Draft No. 73344

LETTER TO AGENT ENCLOSING DRAFT



Claim No. CA55-1750

March 5, 1956

Amount, \$2,450.00

CITIZENS INSURANCE COMPANY OF NEW JERSEY

We enclose our draft in the
amount shown below
for delivery to **Max Block**

Two Thousand Four Hundred Fifty and no/100 ----- Dollars,
being in full settlement, final satisfaction, and compromise of all claims and demands against the
Citizens Insurance Company of New Jersey for loss and damage occasioned by **collision**
which occurred on the **28th** day of **November** **1955** to the property described
in **Auto**.....Policy No. **A 68044** of this Company, issued at **New York, New York** agency,
by **O'Brien and O'Brien, Inc., Agents**

Alfred H. Cochrane

This is in Payment
To the Manufacturers
Trust Co. for my
car for the month
of October 57

MADE IN U.S.A.
130

Alvin Block

This is for the Payment on
my car for the month
of May 22, 57 To
the Manufacturer
Trust Co.

150

EXHIBIT No. 21C

[illegible]

This lot is for the
 Bircho car payment
 for the month of June, 57.

10 10 10 10

NEW YORK August 21 19 56 No. 17981-60

MANUFACTURERS TRUST COMPANY

PAY TO THE ORDER OF
Max Block

SEP 19 1956

MANUFACTURERS TRUST COMPANY

\$ 2507.35

2507 AND 35 CTS

DOLLARS

Max Block
AUTHORIZED SIGNATURE

OFFICIAL CHECK

Max Block

PAY TO THE ORDER OF
Manufacturers Trust Company
HERBERT I. CAPLAN, TREASURER

12/

EXHIBIT No. 23

39111 The World Fire and Marine Insurance Co. Ltd. The Century Indemnity Company
 176
 8/18/54
 DATE
 1536.95
 DOLLARS IS 283.50
 LOSS DATE 7/23/54
 IN FULL SETTLEMENT AND SATISFACTION OF
 KIND OF PAYMENT 2-1088 AGENCY 91372
 CLAIM NO 325477 NO P-1651847
 PAYABLE THROUGH THE CHASE NATIONAL BANK
 75 MAJESTY LANE NEW YORK, N. Y.
 FORM A 11800

DRAFT MUST BE ENDORSED HERE
 BY ALL PAYEE

THE ENDORSEMENT HEREIN OF THE DRAFT
 STATUTES A RECEIPT AND RECEIPTOR'S NAME
 MENTIONED IN THIS DRAFT

Paul Meyer

611
 545
 1000
 1151
 50156

AMALGAMATED MEAT CUTTERS UNION OF
GREATER NEW YORK

GREATER NEW YORK
AMERICAN FEDERATION OF LABOR

AXTFL 7-6300

NEW YORK

9

0.
Z

Dollars

CORN EXCHANGE BANK TRUST COMPANY

JAMAICA BRANCH 54

新編 大正

Dec 30 1880
 1881 Jan
 7426

EXHIBIT No. 29

**TEAMSTERS AND BUTCHERS
JOINT ORGANIZING COMMITTEE**

DATE: 6/24/37

Expenses incurred in organizing drive at St. Louis and St. Paul
PAY TO THE ORDER OF Butcher Workmen Union-Local 640
Ten thousand thirty five and 1/100 dollars

10-36
811

AMERICAN SECURITY AND TRUST COMPANY
WASHINGTON, D. C.

W. J. McQuinn CHAIRMAN
Sam C. Miller SECRETARY

No. 133

810, 013.19x

PAY TO THE ORDER OF 80
Manufacturers Trust Company
Butcher Workmen Union-Local 640 ✓

10-36
811

AMERICAN SECURITY AND TRUST COMPANY
WASHINGTON, D. C.

W. J. McQuinn CHAIRMAN
Sam C. Miller SECRETARY

03

BUTCHER WORKMEN UNION
OF NEW YORK & NEW JERSEY

LOCAL 640

W. A. S. S. S.

卷一百一十五

Cash

6/22/55

5013 19

Five thousand and thirteen $\frac{13}{1000}$

BUTCHER WORKMEN UNION LOCAL 140

MANUFACTURED BY THE ST. COMPANY

THE UNIVERSITY OF CHICAGO

NEW YORK

Barred Lappet
— RETARY

1840

Herold Lepid.

EXHIBIT No. 31

03

STRIKE FUND
BUTCHER WORKMEN UNION
LOCAL 640
799 BROADWAY

New York

32 UNIVERSITY PLACE
NEW YORK

STRIKE FUND
SUGAR WORKMEN UNION LOCAL 643

Facale/Lepke

Revised 1/1/91

EXHIBIT No. 32



Butcher Workmen's Union

132 Fourth Avenue

• New York 3, N. Y.

• ORegon 4-5580

HAROLD LIPPEL
Secretary-Treasurer

June 23rd, 1955

MAX BLOCK
President

Mr. Leon Schechter, Co-Chairman
Teamsters and Butchers Joint
Organizing Committee
100 Indiana Avenue, N. W.
Washington 1, D. C.

My Dear Leon:

The following is the report of the expenses incurred by
Local #640 for organizing the duck farms on Long Island.

Friday, June 3rd, for the use of twenty cars and organizing
expenses, \$1100.00.

Saturday, June 4th, fifteen cars and picket expenses, \$1250.00.

Sunday, June 5th, three cars and picket expenses, \$600.00.

Monday, June 6th, twenty cars and organizing expenses, \$1150.00.

Tuesday, June 7th, fifteen cars and picket expenses, \$1250.00.

Tuesday, June 7th, organizing expenses, \$150.00.

Wednesday, June 8th, twelve cars and picket expenses, \$1250.00.

Thursday, June 9th, fifteen cars and picket expenses, \$1250.00.

Thursday, June 9th, \$200.00 organizational expenses.

- 2 -

Mr. Leon Schechter, Co-Chairman

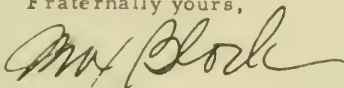
Friday, June 10th, fourteen cars and organizational expenses,
\$1163.19.

Saturday, June 11th, cars and picketing expenses, \$650.00.

The total expenditures for this entire campaign were \$10,013.19.

With best wishes, I remain

Fraternally yours,



Max Block
International Board Member

mb:ah
oeiu:153

pd. 6/24/55,
check #133

EXHIBIT No. 33

69

NAME **Wholesale Text Distributors Union**
Convention Fund

271069

Acct. Opened **2/8/40** Interest not entered in P. B. Last Post. **4/10/59** From Card No. **4**

Society Control

	DATE	WITHDRAWAL	DEPOSIT	INTEREST	BALANCE	TELLER	INT. MEMO
1	APR 17-53	A BRT FWD			*3940.29	B	271069
2	MAY 20-53	CK	*375.00		*4315.29	BHC	
3	JUN-4-53	CK	*300.00		*4615.29	BHH	
4	JUN 30-53			*26.26	*4641.55	HB	
5	JUL-7-53		*375.00		*5016.55	BHE	
6	SEP 30-53			*31.35	*5047.90	HD	31 35
7	SEP 30-53	CK	*675.00		*5722.90	AHH	
8	NOV 13-53	CK	*375.00		*6097.90	BHH	35 80
9	DEC 31-53			*37.04	*6134.94	HB	37 04
10	MAR 31-54			*38.33	*6173.27	ML	38 33
11	JUN 30-54			*38.58	*6211.85	HK	38 58
12	SEP 30-54			*38.81	*6250.66	HH	38 81
UNION SQUARE SAVINGS BANK NEW YORK CITY							
13	DEC 31-54			*42.96	*6293.62	HB	39 04
14	MAR 31-55			*43.26	*6336.88	HB	43 26
15	JUN 30-55			*43.56	*6380.44	NN	43 56
16	SEP 30-55			*43.86	*6424.30	HK	43 86
17	DEC 31-55			*44.16	*6468.46	NN	44 16
18	MAY 31-56	5000.00			*1468.46	AHH	44 16
19	JUN-8-56	1400.00			*68.46	AHH	44 16
20	JUN 30-56			*1.02	*69.48	HD	44 16
21	JUL 23-56	CK	*600.00		*669.48	BKE	44 16
22	AUG 20-56	CK	*450.00		*1119.48	BHE	44 16
23	OCT 18-56	CK	*600.00		*1719.48	BCK	44 16
24	DEC 31-56	INTEREST TO 12/31/56		*16.03	*1735.51	HH	44 16

SIGNATURE _____
SIGN HERE _____

2602

YOUNG & SPILLEN CO.

NAME

69

271069

Wholesale Meat Distributors Union

Convention Fund

Society Control

Acct.
openedInterest not
entered in P. B.Last
Trans.

From Card No.

	DATE	WITHDRAWAL	DEPOSIT	INTEREST	BALANCE	TELLER	INT. MEMO
1	EB13-57		R *675.00		*241051	BHB	: 2604
2	JW30-57			*33.78	*244429	E H	3398
3	EP30-57			*19.85	*246414	E H	1985
4							2002
5							
6							
7							
8							
9							
10							
11							
12							

UNION SQUARE SAVINGS BANK
NEW YORK CITY

13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							

COPIES OF RECORDS

TRANSFERRED TO CARD NO.

EXHIBIT No. 34A

PAID
\$1000 #
58158

WITHDRAWAL
ACCOUNT No. 271069
May 31 19 51

RECEIVED FROM
UNION SQUARE SAVINGS BANK
UNION SQUARE OFFICE
NEW YORK 3, N. Y.

Five thousand #
(WRITE THE AMOUNT IN WORDS)
SIGNATURE *Robert Poliziani*
RESIDENCE *Harold Lipp*

WITHDRAWAL
KRANENBURG
MAY 11 1951
DOLLARS 29

PASS BOOK MUST ACCOMPANY THIS RECEIPT
Wholesale Meat Distributors Union Corp. Fund

Form 136

EXHIBIT No. 34B

PAID
\$1400 #
80888

WITHDRAWAL
ACCOUNT No. 271069
June 8 19 51

RECEIVED FROM
UNION SQUARE SAVINGS BANK
UNION SQUARE OFFICE
NEW YORK 3, N. Y.

One thousand four hundred #
(WRITE THE AMOUNT IN WORDS)
SIGNATURE *Robert Poliziani*
RESIDENCE *Harold Lipp*

WITHDRAWAL
KRANENBURG
JUN 11 1951
DOLLARS 33

PASS BOOK MUST ACCOMPANY THIS RECEIPT
Wholesale Meat Distributors Union Corp. Fund

Form 136

American Financial and Development Corporation for Israel
215 FOURTH AVENUE, NEW YORK 3, N. Y.

No. B 22909

1-8
210

New York March 14, 1950

PAY TO THE
ORDER OF

State of Israel

FOR \$500.00

DOLLAR

TO THE NATIONAL CITY BANK OF NEW YORK
FOURTEENTH STREET BRANCH
TEN IRVING PLACE NEAR FOURTEENTH STREET
NEW YORK, N. Y.

BOND EXCHANGE ACCOUNT

[Handwritten signature]

1-74 PAY TO THE ORDER OF ANY
BANK, BANKER OR TRUST COMPANY
OF THE COUNTRY OF
NEW YORK CLEARING HOUSE

THE NATIONAL CITY BANK OF NEW YORK
FOURTEENTH STREET BRANCH
TEN IRVING PLACE NEAR FOURTEENTH STREET
NEW YORK, N. Y.

1-74 OF THE COUNTRY OF
NEW YORK CLEARING HOUSE

5-NY 545-B

2628

BOSTON PUBLIC LIBRARY



3 9999 06352 025 6

